

TRANSCRIPT OF JURY TRIAL

MORNING SESSION

BEFORE THE HONORABLE JUDGE RODNEY GILSTRAP

UNITED STATES CHIEF DISTRICT JUDGE

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08:47:13 1 P R O C E E D I N G S

08:47:13 2 (Jury out.)

08:47:39 3 COURT SECURITY OFFICER: All rise.

08:47:39 4 THE COURT: Be seated, please.

08:50:01 5 All right. Counsel, are we prepared to bring in

08:50:16 6 the jury and begin with the Plaintiffs' first witness in

08:50:19 7 their case-in-chief?

08:50:20 8 MR. SHEASBY: Yes, Your Honor.

08:50:23 9 THE COURT: All right. Then let's bring in the

08:50:27 10 jury, please.

08:50:39 11 (Jury in.)

08:50:54 12 THE COURT: Welcome back, ladies and gentlemen.

08:50:59 13 Please have a seat.

08:51:00 14 As I told you at the end of yesterday, we would

08:51:05 15 proceed this morning with the Plaintiffs' case-in-chief.

08:51:07 16 So with that, Plaintiff, call your first witness.

08:51:09 17 MR. SHEASBY: Your Honor, Plaintiffs call the

08:51:11 18 president and CEO of PanOptis, Brian Blasius.

08:51:14 19 THE COURT: All right. Mr. Blasius, if you'll

08:51:16 20 come forward, our courtroom deputy, Ms. Lockhart, will

08:51:20 21 administer the oath to you.

08:51:22 22 (Witness sworn.)

08:51:23 23 THE COURT: If you'll come around, sir, have a

08:51:35 24 seat here at the witness stand.

08:51:37 25 All right. Mr. Sheasby, you may proceed with your

08:51:54 1 direct examination.

08:51:54 2 BRIAN BLASIUS, PLAINTIFFS' WITNESS, SWORN

08:51:54 3 DIRECT EXAMINATION

08:51:55 4 BY MR. SHEASBY:

08:51:55 5 Q. Good morning, Mr. Blasius.

08:51:57 6 A. Good morning.

08:51:58 7 Q. Mr. Blasius, can you describe what your position is?

08:52:03 8 A. Yes. I am president and CEO of PanOptis.

08:52:08 9 Q. Mr. Blasius, does PanOptis hold patents that were
08:52:12 10 invented by LG, Panasonic, and Samsung?

08:52:15 11 A. Yes, we do.

08:52:16 12 Q. Does -- does PanOptis have an ongoing obligation to
08:52:21 13 share revenue with those companies?

08:52:22 14 A. Yes, we do.

08:52:23 15 Q. Can you tell us the role that LG, Panasonic, Ericsson,
08:52:28 16 and Samsung played in the creation of the cellular networks
08:52:33 17 and, in specific, 4G/LTE?

08:52:37 18 A. Yes. All three of those companies were very
08:52:41 19 instrumental in creating the modern cellular communications
08:52:45 20 network we know today as 4G. They invested a lot of

08:52:48 21 research and development and sent a lot of engineers to
08:52:52 22 help build the standard, which is what we know of as LTE.

08:52:56 23 Q. We mentioned LG and Panasonic. Can you explain briefly
08:53:03 24 the history of how Samsung patents came to be part of
08:53:08 25 PanOptis?

08:53:08 1 A. Yes. Samsung had approached PanOptis about acquiring a
08:53:13 2 company called Unwired Planet. As part of that
08:53:19 3 transaction, Samsung took a license to all of our patents,
08:53:22 4 paid us a license fee for the use of those patents, and
08:53:25 5 then actually transferred a number of patents to our
08:53:27 6 program.

08:53:27 7 Q. Now, you said two things. First, you said license.
08:53:32 8 What is a patent license?

08:53:33 9 A. A patent -- a patent is a property right much like a
08:53:40 10 house or a car. If you think about when you use a property
08:53:43 11 right of somebody else, you actually have to pay a fee. In
08:53:47 12 this case, a license is a payment for that use of the
08:53:53 13 asset or use of the property right.

08:53:55 14 Q. How can PanOptis hold the patents that are invented by
08:53:59 15 other companies?

08:54:00 16 A. Again, as I've said, a patent is a property right. You
08:54:03 17 can think of it as a mineral right or a land right. It can
08:54:07 18 be transferred to others, and then the other subsequent
08:54:11 19 owner can improve it or decide what they want to do with
08:54:14 20 it.

08:54:14 21 Q. And, in this case, if there's an improvement, do you
08:54:16 22 have to share in the value of that improvement with LG and
08:54:19 23 Panasonic?

08:54:20 24 A. Yes, we do.

08:54:21 25 Q. Now, are there other companies that have the same

08:54:25 1 structure as PanOptis?

08:54:27 2 A. Yes, there are a number of companies that are
08:54:30 3 structured like we are. There's companies like Via
08:54:34 4 Licensing and MPEG LA who all contribute -- or actually
08:54:39 5 aggregate a number of patents and very important
08:54:42 6 technologies and make those available for license to people
08:54:46 7 in the industry.

08:54:47 8 Q. Does Apple use these structures?

08:54:49 9 A. Yes, Apple actually licenses some of its patents
08:54:53 10 through MPEG LA.

08:54:54 11 Q. Has Apple invested in a company like PanOptis before?

08:54:59 12 MR. MUELLER: Objection.

08:55:00 13 THE COURT: State your objection.

08:55:01 14 MR. MUELLER: Relevance, lack of foundation.

08:55:19 15 MR. SHEASBY: I'm happy to respond.

08:55:20 16 THE COURT: The relevance is overruled. The lack
08:55:23 17 of foundation, I don't know what's within or without this
08:55:27 18 gentleman's personal knowledge. I'll overrule it at this
08:55:31 19 time, but if it needs to be raised again it, certainly can
08:55:34 20 be.

08:55:34 21 MR. MUELLER: Thank you, Your Honor.

08:55:35 22 Q. (By Mr. Sheasby) Mr. Blasius, how long have you spent
08:55:37 23 in the LTE licensing industry?

08:55:38 24 A. I've been in the licensing industry for 20 years.

08:55:41 25 Q. Are you familiar with structures that Apple has used in

08:55:44 1 the past in the industry?

08:55:45 2 A. Yes, I am.

08:55:45 3 Q. Has Apple invested in companies that have the same

08:55:49 4 structure as PanOptis before?

08:55:50 5 A. Yes, it has.

08:55:50 6 Q. Can you give me one example of that?

08:55:52 7 A. A company called Rockstar.

08:55:54 8 Q. And what did Apple do to create that company?

08:55:57 9 A. Apple got together with a number of other companies and
08:56:01 10 formed a consortium to acquire a number of patents from
08:56:04 11 Nortel. As part of that transaction, they ended up
08:56:09 12 creating the company Rockstar, who then went ahead and
08:56:12 13 licensed those patents to the industry.

08:56:14 14 Q. Is there anything uncommon, in your experience, about
08:56:17 15 the structure used by PanOptis?

08:56:18 16 A. No.

08:56:18 17 Q. Apple has used the same structure in the past to make
08:56:22 18 revenue; is that fair?

08:56:24 19 MR. MUELLER: Objection, leading.

08:56:25 20 THE COURT: Sustained.

08:56:26 21 Q. (By Mr. Sheasby) Do you have an understanding of where
08:56:28 22 Apple has used this same structure in the past in its
08:56:31 23 relationship to revenue?

08:56:32 24 A. Yes.

08:56:33 25 Q. What's your understanding?

08:56:37 1 A. My understanding is that in this case, Apple has
08:56:40 2 invested in a company like Rockstar and has actually
08:56:45 3 received benefit from the royalties that were generated
08:56:50 4 from that company.

08:56:52 5 MR. SHEASBY: If we could have PDX-9.4, Mr. Huynh.

08:56:58 6 Q. (By Mr. Sheasby) Mr. Blasius, are you an expert in LTE
08:57:03 7 technology?

08:57:03 8 A. No, I am not.

08:57:04 9 Q. Do you have a basic, from a business standpoint,
08:57:10 10 understanding of the history of wireless technology?

08:57:12 11 A. Yes.

08:57:12 12 Q. Can you give us the history of wireless technology as
08:57:15 13 you understand it?

08:57:16 14 A. Sure. In -- in the early '80s, the first generation of
08:57:21 15 technology was launched. It was actually Motorola was the
08:57:23 16 company that launched the first commercial mobile phone.
08:57:27 17 That was the first generation 2G.

08:57:31 18 2G came along in the '90s, and things had advanced
08:57:36 19 where companies were able to use next generation
08:57:41 20 technologies.

08:57:44 21 In the 2000s, 3G came around, and companies
08:57:48 22 started to recognize that the need for data was going to be
08:57:51 23 vastly important. There was going to be a lot of massive
08:57:54 24 amounts of data transmitted across cellular networks.

08:57:58 25 A group of the companies had gotten together in

08:58:01 1 the middle of the 2000s to try to formulate what they could
08:58:06 2 envision at the time, is to be the best network that they
08:58:09 3 could build to address this massive amount of data that was
08:58:12 4 going to be transmitted across the networks.

08:58:15 5 And, as you can see, when 4G was launched, that's
08:58:19 6 right at the time that the smartphone revolution and
08:58:22 7 explosion started to occur, and the data needs across the
08:58:28 8 network greatly increased.

08:58:32 9 MR. SHEASBY: We're having a technical issue.

08:58:37 10 Mr. Huynh, can you -- can you go back to 9.4,
08:58:41 11 please -- 9.2?

08:58:42 12 Q. (By Mr. Sheasby) I'll re-ask the question.

08:58:45 13 You were stating that the needs of data increased
08:58:48 14 at a particular point in time; is that correct, sir?

08:58:52 15 A. Yes, the -- the need for data increase came along with
08:58:56 16 the launch of 4G technical -- the 4G/LTE networks.

08:59:00 17 Q. Now, why was there such a need for data at the time of
08:59:03 18 the launch of the 4G/LTE networks?

08:59:06 19 A. Companies recognized that there was going to be a use
08:59:09 20 of a lot of type -- a lot of types of technologies of what
08:59:14 21 we used today. Think about downloading content on YouTube
08:59:21 22 or downloading Netflix, streaming Netflix, sharing
08:59:26 23 pictures, using FaceTime or other types of video sharing,
08:59:31 24 that all was going to demand high speed data networks to be
08:59:31 25 able to communicate between the devices and the base

08:59:37 1 stations or towers.

08:59:37 2 Q. Are you familiar with the smartphone industry?

08:59:40 3 A. Yes, I am.

08:59:41 4 Q. How did the relationship between consumption of data

08:59:44 5 and the introduction of smartphones relate, if at all?

08:59:47 6 A. It was -- the consumption of data was -- it was a huge

08:59:56 7 important -- it was -- it was a huge important need for

09:00:02 8 companies to be able to address it.

09:00:03 9 If you look at what we do today, there's 43

09:00:06 10 billion megabytes that are transmitted across cellular

09:00:10 11 networks. That's a huge amount of data, and that's each

09:00:14 12 and every day.

09:00:15 13 Q. When did Apple launch its first smartphone in this

09:00:22 14 history?

09:00:22 15 A. It launched their first LTE smartphone in 2012.

09:00:30 16 Q. When did it launch its first smartphone generally?

09:00:32 17 A. Its first smartphone was in 2007. It was a 2G device.

09:00:37 18 Q. So in 2007, Apple launched a 2G device, correct?

09:00:42 19 A. Correct.

09:00:42 20 Q. What were Panasonic, Samsung, and LG doing in 2007

09:00:47 21 vis-a-vis LTE?

09:00:48 22 A. In -- in around that timeframe is when Samsung,

09:00:53 23 Panasonic, and LG were heavily invested in developing the

09:00:58 24 4G networks that we all know and appreciate today.

09:01:00 25 Q. Now, 4G has been referred to as a standard. Can you

09:01:06 1 explain what a standard is from a business standpoint?

09:01:09 2 A. Yes. A standard is literally a set of rules in how a
09:01:15 3 device must operate effectively and efficiently so it can
09:01:21 4 communicate with other types of devices.

09:01:23 5 I think yesterday, we heard about a description
09:01:27 6 where we all own different types of devices; we have a
09:01:30 7 Samsung device, we have an LG device, we have an Apple
09:01:33 8 device. These all need to be able to communicate together
09:01:37 9 in a common way. So we have a -- what's formulated as a
09:01:41 10 standard.

09:01:41 11 Q. Do you have an understanding from your business of the
09:01:44 12 relationship between 4G and what's sometimes referred to as
09:01:48 13 5G technology?

09:01:49 14 A. Yes. 5G is an emerging technology that you may have
09:01:53 15 heard of recently. It's really built off of 4G, and 4G is
09:01:57 16 going to be very important for many years to come.

09:02:01 17 Q. Now, what specifically does this case relate to?

09:02:04 18 A. This case relates to 4G/LTE technology, and
09:02:07 19 specifically patents that were created by LG, Panasonic,
09:02:11 20 and Samsung.

09:02:17 21 MR. SHEASBY: Mr. Huynh, can you take the
09:02:19 22 demonstratives down, please? Thank you.

09:02:21 23 Q. (By Mr. Sheasby) So, to restate, what does this
09:02:24 24 lawsuit relate to?

09:02:25 25 A. This lawsuit relates to the LTE and 4G patents that

09:02:31 1 were invented by Panasonic, LG, and Samsung.

09:02:36 2 Q. Why is there a lawsuit against Apple?

09:02:41 3 A. PanOptis owns these patents, and we've been talk --

09:02:45 4 discussing license with Apple for some time. Apple

09:02:47 5 actually infringes these patents, and that's why we're

09:02:50 6 here.

09:02:51 7 MR. MUELLER: Objection, move to strike. Court's
09:02:58 8 rulings.

09:02:58 9 THE COURT: You have a response, Mr. Sheasby?

09:03:00 10 MR. SHEASBY: Your Honor, the notice letter was
09:03:02 11 sent in January of 2017.

09:03:08 12 THE COURT: Well, with the understanding that this
09:03:12 13 is Mr. Blasius's opinion, the opinion of PanOptis, not that
09:03:15 14 he's an expert witness offering a carefully analyzed
09:03:19 15 opinion about the infringement issue, I'll overrule the
09:03:22 16 objection.

09:03:22 17 Q. (By Mr. Sheasby) To this day, do you know what Apple's
09:03:26 18 fastest cellular offering is?

09:03:27 19 A. Yes. It is the 4G/LTE iPhone. If you look at the top
09:03:33 20 of your iPhone, if you have one, you'll sometimes see the
09:03:36 21 symbol LTE at the top of it.

09:03:38 22 Q. Have the inventor companies of the patents-in-suit
09:03:43 23 commercialized LTE technology?

09:03:44 24 A. Yes. LG and Samsung are very -- very well-known to
09:03:52 25 have smartphones in the marketplace. They've launched

09:03:55 1 their 4G/LTE iPhones one to two years before Apple did.

09:04:00 2 Q. Are you familiar with the amount of research that was
09:04:04 3 going on at Panasonic, LG, and Samsung when these patents
09:04:08 4 were invented?

09:04:09 5 A. Yes. In 2008, the combined research and development
09:04:15 6 from those three companies was \$14 billion.

09:04:20 7 THE COURT: Let me stop just a minute.

09:04:21 8 Mr. Blasius, this is about the third time
09:04:24 9 Mr. Sheasby's asked you a question, do you know something,
09:04:28 10 and you've answered yes, and then you've immediately gone
09:04:32 11 into a full explanation of it. If the question calls for
09:04:36 12 you to say, yes, I know about it, then that's a complete
09:04:39 13 answer. If he then wants you to explain it, he'll follow
09:04:43 14 up with another question.

09:04:45 15 But we don't need a simple do you know about
09:04:47 16 something and then a long narrative explanation that's not
09:04:50 17 called for in the question.

09:04:51 18 MR. SHEASBY: Thank you, Your Honor.

09:04:52 19 THE COURT: Understood?

09:04:53 20 MR. SHEASBY: Yes.

09:04:53 21 THE COURT: All right. Let's proceed.

09:04:54 22 Q. (By Mr. Sheasby) As part of your job, have you gained
09:04:56 23 an understanding of the importance of LTE from a business
09:04:58 24 standpoint?

09:04:58 25 A. Yes.

09:04:59 1 Q. What is your understanding of the importance?
09:05:01 2 A. It's become very important from the business standpoint
09:05:08 3 to address the needs of what was going to be happening with
09:05:10 4 the LTE network. These companies got together and realized
09:05:17 5 that even small improvements across the use of data being
09:05:22 6 transmitted across the networks was going to lead with huge
09:05:26 7 efficiencies in the ability to transmit data. You need to
09:05:29 8 think about how we look at the size of the amount of data
09:05:33 9 that's transmitted.

09:05:35 10 You can compare it to, for example, the U.S. UDP.
09:05:40 11 Even a small increase in that data leads to a huge benefit.

09:05:44 12 Q. As part of your job, do you follow important events in
09:05:50 13 the cellular industry?

09:05:51 14 A. Yes, I do.

09:05:52 15 Q. What is Apple's position as to Panasonic and Ericsson
09:05:55 16 and Samsung and LG as it relates to continued innovation in
09:05:59 17 LTE and 5G technology?

09:06:02 18 MR. MUELLER: Objection, foundation.

09:06:04 19 THE COURT: Can you lay a foundation, Mr. Sheasby?

09:06:08 20 MR. SHEASBY: Sure.

09:06:08 21 Q. (By Mr. Sheasby) Mr. Blasius, do you contend --

09:06:10 22 THE COURT: One -- one other thing. Mr. Mueller,
09:06:14 23 if you're going to object, you need to stand up --

09:06:16 24 MR. MUELLER: Understood, Your Honor.

09:06:18 25 THE COURT: -- when you address the Court --

09:06:18 1 MR. MUELLER: Thank you.

09:06:18 2 THE COURT: -- not just bob up and down.

09:06:19 3 Go ahead, Mr. Sheasby.

09:06:21 4 Q. (By Mr. Sheasby) As part of your job, do you follow

09:06:24 5 important events within the cellular industry?

09:06:26 6 A. Yes.

09:06:26 7 Q. Do you continue to monitor the innovation of LG,

09:06:31 8 Panasonic, Samsung, and Ericsson?

09:06:33 9 A. Yes.

09:06:33 10 Q. How does that innovation relate to Apple's cellular

09:06:36 11 innovation?

09:06:36 12 A. Those companies have innovated prior -- earlier than

09:06:41 13 Apple have in these technologies.

09:06:42 14 Q. And what about in the current state of research and

09:06:45 15 development?

09:06:45 16 A. In the current state of the next generation technology,

09:06:49 17 5G, both Panasonic, Ericsson, and LG have remained ahead of

09:06:57 18 Apple in 5G. They -- Panasonic and Ericsson have already

09:07:03 19 launched a 5G network. Samsung has launched a 5G phone and

09:07:08 20 has also -- also built its 5G modem. Apple has yet to

09:07:12 21 launch a 5G device and has not launched a 4G -- a 5G modem

09:07:18 22 either.

09:07:18 23 Q. Mr. Blasius, can you tell us a bit about yourself and

09:07:21 24 your family?

09:07:21 25 A. Yes. I was born and raised outside of the -- in the

09:07:24 1 suburbs of Chicago, and I've lived there my entire life.

09:07:32 2 I'm married to my wife, Julie, and we've been

09:07:35 3 married for 23 years. We have three children. My wife had

09:07:39 4 worked for a number of years, but then decided to stay home

09:07:41 5 to help raise our children.

09:07:42 6 After they were grown, they -- she decided to go

09:07:44 7 back and received her Master's in special education. My

09:07:49 8 daughter is 19 years old. She attends college. And I have

09:07:53 9 two boys, ages 17 and 14.

09:07:57 10 Q. What do you do in your free time, Mr. Blasius?

09:07:59 11 A. My children have been very active in sports, and as a

09:08:02 12 part of that, I've helped coach -- volunteering a lot of

09:08:06 13 their coaching and a lot of their sports, especially in the

09:08:09 14 areas of youth football. And I also volunteer with the

09:08:14 15 high school football team.

09:08:14 16 Q. Can you tell us about your educational background?

09:08:17 17 A. I received a Bachelor's degree in finance from Northern

09:08:21 18 Illinois University in 1994. And then while I was working,

09:08:24 19 I went to school at night to receive my Master's in

09:08:28 20 business administration from Northwestern University in

09:08:32 21 2002.

09:08:33 22 Q. Can you tell us about your professional background?

09:08:38 23 A. I started my career at Motorola, and I spent 18 years

09:08:41 24 there. I worked in a variety of roles until I became

09:08:45 25 director of licensing for Motorola's patents.

09:08:48 1 After Motorola was acquired by Google in 2012, I
09:08:52 2 went to work for Google and continued in a number of
09:08:57 3 licensing management initiatives.

09:08:58 4 Q. What was Motorola's business?

09:09:00 5 A. Motorola has a very rich history of cellular
09:09:03 6 communications and wireless -- wireless communication
09:09:07 7 industry -- in the industry. It was founded in Chicago.
09:09:11 8 The city was very proud of it. And I think a lot of us
09:09:15 9 know that Motorola had launched the first -- and invented
09:09:19 10 the cell phone. In 1973 is when they actually invented it.

09:09:24 11 In 1983, Motorola launched the first commercial
09:09:28 12 device and then went on to continue with a number of
09:09:31 13 firsts. Think about the phones that they've had. It was
09:09:33 14 the brick phone, the large phone you would hold up to your
09:09:37 15 head; the first flip phone, which was the StarTAC; and then
09:09:41 16 one of the more popular phones in the middle 2000s was the
09:09:46 17 RAZR device.

09:09:46 18 Q. Did you -- did Motorola play a role in developing
09:09:50 19 4G/LTE?

09:09:50 20 A. Yes, it did.

09:09:51 21 Q. What other companies were involved in the development
09:09:54 22 of LTE in a significant way, according to your
09:09:56 23 understanding?

09:09:57 24 A. There were a number of companies that participated, but
09:10:00 25 as far as the number of companies that contributed heavily,

09:10:03 1 there was a small number. This included LG, Ericsson,
09:10:08 2 Panasonic, Samsung, Nokia, and Qualcomm.

09:10:13 3 Q. In your role at Motorola, did you have interactions
09:10:17 4 with smartphone manufacturers?

09:10:19 5 A. Yes.

09:10:20 6 Q. What was the nature of your interactions?

09:10:23 7 A. My job was to ensure that the companies that used
09:10:27 8 technologies like LTE paid fair compensation to Motorola
09:10:30 9 for the use of their technology that they innovated and
09:10:34 10 contributed to the com -- communications industry.

09:10:38 11 Q. How did the smartphone industry expand while you were
09:10:42 12 at Motorola?

09:10:43 13 A. In the middle of the 2000s, the smartphone explosion
09:10:47 14 really started to -- middle to the late 2000s, the
09:10:52 15 smartphone explosion started to occur. A number of new
09:10:56 16 entrants came into the marketplace. This included Apple,
09:10:58 17 who was a computer company, and a number of other Chinese
09:11:02 18 smartphone manufacturers. These companies didn't really
09:11:05 19 invent or invest a lot in wireless communication
09:11:09 20 technologies. They simply used the innovations of others
09:11:11 21 to help sell their devices.

09:11:13 22 Q. Are you an expert in cellular standards or patents?

09:11:17 23 A. No, I am not. I rely on the technologists for that
09:11:22 24 information. My expertise is in licensing.

09:11:24 25 Q. You made a decision to join the team at PanOptis at

09:11:32 1 some point in time; is that correct, sir?

09:11:34 2 A. Yes.

09:11:34 3 Q. What role do you play at PanOptis, and how is it the

09:11:38 4 same or different from what you did at Motorola?

09:11:40 5 A. So at PanOptis, our role is to really protect the

09:11:46 6 innovations of companies that had invested in the research

09:11:50 7 and development in creating these networks or the -- the

09:11:52 8 technology of LTE.

09:11:54 9 It's very similar to my role at Motorola where

09:11:57 10 there was a lot of investment and research done by

09:12:02 11 companies, and other companies were using that technology

09:12:05 12 to sell devices. The role was to get fair compensation for

09:12:10 13 the innovations that were produced by those companies.

09:12:15 14 Q. PanOptis, though, is a completely independent company,

09:12:18 15 correct?

09:12:18 16 A. Yes, we are.

09:12:19 17 Q. How have the patents that are owned by -- how are the

09:12:25 18 patents that are owned by PanOptis selected -- let me

09:12:29 19 withdraw the question and ask it this way.

09:12:32 20 Did Ericsson analyze the patents that LG and

09:12:37 21 Panasonic sold to PanOptis?

09:12:41 22 A. Yes.

09:12:42 23 MR. MUELLER: Objection, Your Honor. I'm not sure

09:12:44 24 I can make this object -- objection based on deposition

09:12:46 25 instruction. I'll try to keep it as terse as possible --

09:12:52 1 to this witness.

09:12:53 2 MR. SHEASBY: I have to re-ask the question.

09:12:56 3 Q. (By Mr. Sheasby) I want you to exclude any discussion
09:12:59 4 of the specific patents at issue in this case.

09:13:01 5 Do you have a general understanding of how
09:13:03 6 Ericsson -- how the patents that were purchased by PanOptis
09:13:07 7 were analyzed?

09:13:08 8 MR. MUELLER: Same objection.

09:13:11 9 THE COURT: Without more, Mr. Sheasby, I'm going
09:13:21 10 to have to sustain the objection. I mean, there's --
09:13:24 11 there's no -- there's no foundation laid for how this
09:13:27 12 gentleman would have knowledge with regard to the internal
09:13:30 13 analysis of another company he's not -- not connected with
09:13:34 14 in any way.

09:13:35 15 MR. SHEASBY: I'm happy to re-ask the question,
09:13:38 16 Your Honor.

09:13:38 17 THE COURT: You -- you certainly have that option.

09:13:41 18 Q. (By Mr. Sheasby) Mr. Blasius, did PanOptis do an
09:13:45 19 analysis of the patents that were provided by -- by
09:13:49 20 Samsung, Panasonic, and LG?

09:13:50 21 A. Yes.

09:13:51 22 Q. What analysis did it do?

09:13:52 23 A. It thoroughly reviewed the patents to make sure that
09:13:56 24 they were getting very high quality patents from those
09:13:59 25 companies.

09:13:59 1 Q. Who was involved in that analysis?

09:14:04 2 A. There were a number of experts that were involved in

09:14:08 3 the analysis on PanOptis's end, and that would -- included

09:14:14 4 intellectual property lawyers, technologists. And those

09:14:18 5 companies had reviewed information that was submitted from

09:14:26 6 our founding partners that were -- included lists of

09:14:29 7 patents that the partners had vetted between themselves.

09:14:32 8 Q. And, sir, just to clarify, the -- PanOptis is a

09:14:36 9 completely independent company, correct?

09:14:37 10 A. Yes, it is.

09:14:38 11 Q. LG, Panasonic, and Samsung are not partners, correct?

09:14:41 12 A. Correct.

09:14:46 13 Q. Have other LG phone manufacturers taken licenses to the

09:14:49 14 patents that Apple is accused of infringing?

09:14:52 15 A. Yes.

09:14:52 16 Q. What companies have taken licenses to those patents?

09:14:56 17 A. Companies include HTC, Samsung, Huawei, BlackBerry, and

09:15:04 18 ZTE, among others.

09:15:06 19 Q. Do you know who makes the modem chips that are used for

09:15:11 20 your licensees?

09:15:12 21 A. Yes.

09:15:13 22 Q. Who makes them?

09:15:13 23 A. The vast majority of the volume had been made by

09:15:18 24 Qualcomm and Intel.

09:15:18 25 Q. Were you here in the courtroom yesterday when

09:15:22 1 Mr. Mueller gave his opening?

09:15:23 2 A. Yes.

09:15:24 3 Q. Do you know who makes the modem chips for Apple?

09:15:28 4 A. Yes.

09:15:31 5 Q. Who is it?

09:15:32 6 A. It's Qualcomm and Intel, exactly the same.

09:15:35 7 Q. During your negotiations with PanOptis licensees, do

09:15:39 8 you explain why PanOptis seeks payment from phone

09:15:42 9 manufacturers as opposed to modem chip manufacturers?

09:15:46 10 A. Yes.

09:15:47 11 Q. What is the basis for that?

09:15:49 12 A. In my experience, the -- and it's been the

09:15:54 13 long-standing industry experiences that the smartphone

09:15:57 14 manufacturers are the companies that take responsibility

09:16:00 15 for the payment in -- in patents like these.

09:16:05 16 Q. And you -- in your business, have you formed a view --

09:16:11 17 you previously stated that some -- that companies have

09:16:14 18 taken a license to PanOptis's patents; is that correct?

09:16:16 19 A. Yes.

09:16:19 20 MR. SHEASBY: Can we have PDX-9.5, Mr. Huynh,

09:16:34 21 please?

09:16:34 22 Q. (By Mr. Sheasby) Has one of the companies that has

09:16:36 23 paid for a license to the patents-in-suit ZTE?

09:16:39 24 A. Yes.

09:16:40 25 Q. Was ZTE presented with a claim chart regarding the '557

09:16:47 1 patent?

09:16:47 2 A. Yes.

09:16:48 3 Q. Do you know how long that claim chart was?

09:16:50 4 A. It was very long.

09:16:52 5 Q. The '557 patent is one of the patents-in-suit in this

09:16:57 6 case, correct?

09:16:58 7 A. Yes.

09:16:59 8 Q. What happened after the claim charts were presented to

09:17:03 9 ZTE?

09:17:03 10 A. ZTE took a license to all of PanOptis's standard

09:17:08 11 essential patents.

09:17:08 12 Q. Is ZTE a seller of LTE phones in the United States?

09:17:13 13 A. Yes.

09:17:14 14 Q. And by took a license, ZTE paid money for that license;

09:17:20 15 is that correct, sir?

09:17:20 16 A. Correct.

09:17:24 17 Q. You understand that the '833 and '332 patents have been

09:17:29 18 asserted in this case against Apple; is that correct, sir?

09:17:32 19 A. Yes.

09:17:33 20 Q. Were the '833 and '332 patents presented to other of

09:17:39 21 PanOptis's licensees?

09:17:41 22 A. Yes, they were.

09:17:42 23 Q. Were claim charts for those patents presented to ZTE,

09:17:49 24 Kyocera, and BlackBerry?

09:17:50 25 A. Yes.

09:17:50 1 Q. Were those claim charts -- do you know the length of
09:17:53 2 those claim charts?

09:17:55 3 A. Again, the claim charts are very long technical
09:17:58 4 documents.

09:17:58 5 Q. Does ZTE, Kyocera, and BlackBerry sell LTE devices?

09:18:03 6 A. Yes.

09:18:03 7 Q. What happened after presenting the claim charts for
09:18:06 8 these two patents-in-suit to ZTE, Kyocera, and BlackBerry?

09:18:09 9 A. They all took license to -- licenses to PanOptis's
09:18:15 10 standard essential patents.

09:18:15 11 Q. Was -- you understand that the '284 is one of the
09:18:24 12 patents that's in suit in this case; is that correct, sir?

09:18:27 13 A. Yes.

09:18:27 14 Q. Was the claim charts for the '284 patent presented to
09:18:36 15 Huawei?

09:18:37 16 A. Yes, it was.

09:18:37 17 Q. How long was the claim chart?

09:18:39 18 A. Again, it was a very long claim chart.

09:18:43 19 Q. After the claim chart was presented to Huawei -- let me
09:18:46 20 take a step back.

09:18:47 21 Does Huawei sell LTE devices, sir?

09:18:50 22 A. Yes, it does.

09:18:51 23 Q. After the claim charts were presented to Huawei, what
09:18:55 24 did Huawei do?

09:18:56 25 A. Huawei took a license to all of PanOptis's standard

09:18:59 1 essential patents.

09:18:59 2 Q. Do the Plaintiffs have -- hold all right, title, and
09:19:07 3 interest in the patents-in-suit?

09:19:08 4 A. Yes, we do.

09:19:09 5 Q. Can you examine in your binder PX-5262, PX-5263, and
09:19:17 6 PX-5265? And I'm going to ask you a question about them.

09:19:35 7 A. Okay.

09:19:36 8 Q. And the question is going to be, do those records
09:19:39 9 establish the ownership of the patents-in-suit by
09:19:41 10 PanOptis's family of companies?

09:19:43 11 MR. MUELLER: Objection, leading.

09:19:44 12 THE COURT: Sustained.

09:19:47 13 A. Yes, these are the document --

09:19:50 14 Q. (By Mr. Sheasby) Mr. -- Mr. Blasius, I need to re-ask
09:19:52 15 the question.

09:19:53 16 THE COURT: Restate the question.

09:19:55 17 Q. (By Mr. Sheasby) What do PX-5262, PX-5263, and PX-5265
09:20:04 18 lead you -- represent, Mr. Blasius?

09:20:05 19 A. These represent the assignment records which establish
09:20:08 20 the ownership of the patents to PanOptis.

09:20:10 21 Q. Has PanOptis approached Apple about licensing its
09:20:17 22 patents?

09:20:17 23 A. Yes, we have.

09:20:19 24 MR. SHEASBY: Mr. Huynh, can you pull up PX-0548a?

09:20:29 25 Q. (By Mr. Sheasby) Do you recognize this document,

09:20:32 1 Mr. Blasius?

09:20:32 2 A. Yes.

09:20:33 3 Q. What is this document?

09:20:34 4 A. This document is a letter from PanOptis's then head of

09:20:41 5 licensing that was sent in January 6th of 2017. It was a

09:20:47 6 letter that was sent to Bruce Sewell, who was Apple's

09:20:50 7 general counsel. The letter is notifying Apple of the fact

09:20:57 8 that PanOptis owns a large number of cellular

09:21:05 9 communications patents, and specifically highlighting the

09:21:09 10 4G communication standards.

09:21:10 11 Q. As part of your role at CEO of PanOptis, did you

09:21:17 12 familiarize yourself with Apple negotiations?

09:21:19 13 A. Yes, I have.

09:21:20 14 Q. Was there a meeting in February of 2017 between Apple

09:21:25 15 and PanOptis?

09:21:25 16 A. Yes.

09:21:30 17 Q. What was discussed at that meeting?

09:21:32 18 A. In that meeting, Tom Miller and Ray Warren, who was a

09:21:38 19 then director of licensing at PanOptis, discussed a

09:21:44 20 further -- or discussed a further desire to enter into

09:21:48 21 these negotiations with Apple over these patents.

09:21:51 22 Q. How do you know that?

09:21:52 23 A. I read the records, and I reviewed the records and

09:21:57 24 actually talked to some of the individuals.

09:21:59 25 Q. Mr. Miller is deceased, though; is that correct?

09:22:03 1 A. He is, unfortunately.

09:22:04 2 Q. Excluding -- I -- I -- for -- I want you to exclude any

09:22:08 3 discussions with Apple.

09:22:11 4 Does PanOptis send to potential licensees lists of

09:22:15 5 patents it believes are essential?

09:22:17 6 A. Yes, we do.

09:22:18 7 MR. SHEASBY: If you can pull up PX-9.8,

09:22:24 8 Mr. Huynh.

09:22:28 9 Q. (By Mr. Sheasby) Does 9.8 reflect the type of

09:22:31 10 information that PanOptis sends to potential licensees?

09:22:34 11 MR. MUELLER: Objection, leading.

09:22:38 12 THE COURT: Restate the question, Mr. Sheasby.

09:22:41 13 Q. (By Mr. Sheasby) What does PDX-9.6 reflect,

09:22:47 14 Mr. Warren -- Mr. Blasius?

09:22:50 15 A. These lists reflect the -- the patent numbers,

09:22:55 16 specifically the patent numbers that we have declared to

09:23:01 17 the -- for the SEPs, and specifically lists individual

09:23:06 18 patent numbers, shows that they are essential to the LTE

09:23:11 19 standard, and then the specifications within the standard

09:23:14 20 to which we believe that they are essential to.

09:23:17 21 Q. Is this information that PanOptis was providing to

09:23:21 22 licensees before this lawsuit?

09:23:23 23 MR. MUELLER: Objection, leading.

09:23:24 24 THE COURT: Sustained.

09:23:30 25 Q. (By Mr. Sheasby) Do you know the -- when -- do you

09:23:34 1 know if -- do you know the date range, if any, during which
09:23:40 2 this information was provided by PanOptis -- by PanOptis to
09:23:46 3 its licensees?

09:23:47 4 A. We've provided this information to a number of our
09:23:49 5 licensees going as far back as 2016/2017.

09:23:58 6 Q. Do you recognize the five patent numbers on this
09:24:01 7 demonstrative?

09:24:01 8 A. Yes.

09:24:07 9 Q. What are they?

09:24:08 10 A. These are the patents in this lawsuit.

09:24:10 11 Q. And when you -- when it says essential to and then
09:24:16 12 lists numbers, can you explain what that is?

09:24:18 13 A. The numbers on the right-hand side?

09:24:24 14 Q. Yes.

09:24:26 15 A. Those numbers are specifications or parts of the
09:24:31 16 standard in which the patents' claims are essential to
09:24:39 17 those specific specifications in the standard.

09:24:41 18 Q. Who prepared this analysis -- this analysis that is
09:24:45 19 shared with potential licensees?

09:24:46 20 A. We have a team of technologists that help prepare this.

09:24:51 21 Q. Do you know what the training of those technologists
09:24:59 22 is?

09:24:59 23 A. They have an engineering background. They've
09:25:02 24 participated in the standards development bodies for a
09:25:05 25 number of years.

09:25:06 1 Q. Are there independent third parties who have ranked
09:25:12 2 PanOptis's patents?
09:25:13 3 A. Yes.
09:25:13 4 Q. Does PanOptis present a ranking of its LTE patents to
09:25:17 5 potential licensees?
09:25:18 6 A. No, we do not.
09:25:19 7 Q. When the decision was made to initiate suit against
09:25:25 8 Apple, who selected the patents?
09:25:27 9 A. Our technologists and our patent lawyers selected the
09:25:32 10 patents.
09:25:32 11 Q. Did you discuss it with them?
09:25:35 12 A. I did.
09:25:35 13 Q. Who's going to teach the jury about the patents?
09:25:37 14 A. Professors Mahon and Madisetti are going to help teach
09:25:44 15 the technology to the jury. It's very complex information.
09:25:47 16 Q. Have you met them before?
09:25:49 17 A. Yes, I have.
09:25:49 18 Q. Did you read the patents on your own, sir?
09:25:51 19 A. No. I needed to do that along with -- with the
09:25:56 20 experts. It's very complex technology.
09:25:57 21 Q. Did you sit with Professor Mahon and Madisetti?
09:26:01 22 A. Yes, I did.
09:26:01 23 Q. For how long?
09:26:02 24 A. Multiple times, days and hour -- hours per day.
09:26:13 25 Q. Does PanOptis use internal or external experts to

09:26:19 1 determine speed increase attributable to the patents?

09:26:22 2 A. I'm sorry, can you repeat the question?

09:26:24 3 Q. Does PanOptis use internal or external experts to

09:26:28 4 assess performance benefits associated with the patents?

09:26:31 5 A. We use external experts for that.

09:26:33 6 Q. Why is that?

09:26:34 7 A. We believe in cases like these, it's more important to

09:26:38 8 use the external experts to be able to teach about the

09:26:42 9 benefits.

09:26:42 10 Q. Have you met with the external experts in this case?

09:26:45 11 A. Yes, I have.

09:26:45 12 Q. Have you contacted Apple since filing suit?

09:26:48 13 A. Yes.

09:26:49 14 Q. What have you said to Apple?

09:26:50 15 A. We informed Apple that we were still willing to license

09:26:54 16 our patents, and we offered an out-of-court resolution.

09:27:01 17 Q. Are you familiar with how much money PanOptis has

09:27:04 18 invested in its business today?

09:27:06 19 A. Yes.

09:27:07 20 Q. How much?

09:27:07 21 A. Over \$450 million.

09:27:09 22 Q. What portion of that -- are you familiar with what

09:27:12 23 portion of that has gone to the original inventive

09:27:15 24 companies?

09:27:16 25 A. Yes.

09:27:16 1 Q. What portion?

09:27:17 2 A. The -- the majority share has.

09:27:19 3 MR. SHEASBY: I pass the witness, Your Honor.

09:27:20 4 THE COURT: Cross-examination by the Defendant?

09:27:24 5 MR. MUELLER: Yes, please, Your Honor.

09:27:26 6 Your Honor, may we pass up a few binders?

09:27:29 7 THE COURT: You may.

09:27:30 8 MR. MUELLER: Thank you, Your Honor.

09:27:49 9 May I proceed, Your Honor?

09:27:51 10 THE COURT: Let's get the binders passed out to

09:27:54 11 the other side.

09:27:55 12 Now you may proceed.

09:27:57 13 MR. MUELLER: Thank you, Your Honor.

09:27:57 14 CROSS-EXAMINATION

09:27:57 15 BY MR. MUELLER:

09:27:57 16 Q. Good morning, Mr. Blasius.

09:27:59 17 A. Good morning.

09:27:59 18 Q. My name is Joe Mueller. I don't think we've met

09:28:02 19 before.

09:28:03 20 A. No.

09:28:03 21 Q. May I ask you a few questions?

09:28:06 22 A. Yes.

09:28:06 23 Q. Now, sir, you understand this is a patent case, right?

09:28:10 24 A. Yes, sir.

09:28:11 25 Q. And there are five companies, the Plaintiffs in this

09:28:17 1 case, that are asserting that Apple infringes five patents,
09:28:21 2 correct?
09:28:21 3 A. Yes.
09:28:24 4 Q. And the ladies and gentlemen of the jury over the
09:28:28 5 course of this week are going to have to compare those five
09:28:32 6 patents to the Apple products to see if you're right,
09:28:35 7 right?
09:28:35 8 A. I -- I don't agree with that.
09:28:42 9 Q. You don't agree that the ladies and gentlemen of the
09:28:44 10 jury are going to have to compare the five patents to the
09:28:48 11 products that you're accusing of infringement?
09:28:53 12 A. No.
09:28:53 13 Q. You don't agree with that?
09:28:56 14 A. I can't a hundred percent agree with that.
09:28:59 15 Q. Well, let's put it this way: There's five patents in
09:29:04 16 this case, correct?
09:29:05 17 A. Yes.
09:29:05 18 Q. The ladies and gentlemen of the jury have those five
09:29:08 19 patents in their binders. You know that, right?
09:29:11 20 A. Yes.
09:29:12 21 Q. And you, sir, are the one fact witness from the
09:29:17 22 Plaintiffs who's going to sit in that chair and take the
09:29:25 23 stand, correct?
09:29:26 24 A. I'm the one fact witness from PanOptis, yes.
09:29:27 25 Q. And you, sir, did not discuss any of those five patents

09:29:31 1 with the ladies and gentlemen of the jury just now, did
09:29:35 2 you?

09:29:35 3 A. No.

09:29:39 4 Q. Now, in fact, your -- you -- your companies, these five
09:29:44 5 companies, are seeking over a half a billion dollars for
09:29:47 6 these five patents, correct?

09:29:50 7 A. Yes.

09:29:51 8 Q. And you understand over the course of this week, the
09:29:55 9 ladies and gentlemen of the jury are going to have to read
09:29:56 10 through those patents as part of their work on this case,
09:29:59 11 right?

09:29:59 12 A. Yes.

09:30:04 13 Q. But you, sir, in this case did not trouble yourself to
09:30:11 14 read the five patents, did you?

09:30:12 15 MR. SHEASBY: Your Honor, objection. That's
09:30:14 16 argumentative.

09:30:14 17 THE COURT: Overruled.

09:30:19 18 You need to answer the question, Mr. Blasius.

09:30:22 19 A. Not in their entirety.

09:30:24 20 Q. (By Mr. Mueller) So, as of today, you're sitting here
09:30:28 21 before the ladies and gentlemen of the jury seeking a half
09:30:31 22 a billion dollars, and you haven't read them -- the
09:30:34 23 patents, as of today. Do I have that right?

09:30:38 24 A. Not in their entirety.

09:30:40 25 Q. Well, have you read a piece here and there?

09:30:42 1 A. Yes.

09:30:43 2 Q. Don't you understand the ladies and gentlemen of the

09:30:46 3 jury are going to be studying them carefully, and you

09:30:50 4 yourself never did that, did you?

09:30:51 5 A. No, not in their entirety.

09:30:56 6 Q. But you're seeking \$500 million for the patents that

09:31:00 7 you never studied, even as of today?

09:31:02 8 A. Yes.

09:31:05 9 Q. And you're the one fact witness we're going to hear

09:31:09 10 from, do I have that right, taking the stand?

09:31:16 11 A. I am -- I am the fact witness here.

09:31:19 12 Q. And it's fair to say you've done less work than the

09:31:23 13 ladies and gentlemen of the jury are going to be doing this

09:31:24 14 week; do I have that right?

09:31:25 15 A. No, that's incorrect.

09:31:27 16 Q. Let's talk a little bit about your job. You were

09:31:31 17 described as the president and CEO of PanOptis, correct?

09:31:35 18 A. Yes.

09:31:36 19 Q. Now, there's actually five Plaintiffs in this case,

09:31:40 20 correct?

09:31:40 21 A. Yes.

09:31:44 22 Q. Unwired Planet International Limited, right?

09:31:51 23 A. Yes.

09:31:52 24 Q. Optis Wireless Technology, LLC?

09:31:57 25 A. Yes.

09:31:57 1 Q. And who are the other three?

09:32:02 2 A. Excuse me?

09:32:03 3 Q. Who are the other three?

09:32:04 4 A. Optis Cellular Technology, LLC; Unwired Planet, LLC;

09:32:12 5 and Patent -- PanOptis Patent Management, LLC.

09:32:16 6 Q. So there's five, right?

09:32:18 7 A. Yes.

09:32:18 8 Q. Now, four of those companies operate out of the same

09:32:22 9 office suite, correct?

09:32:24 10 A. Correct.

09:32:28 11 Q. And none of those five companies produce any actual

09:32:34 12 products, right?

09:32:35 13 A. Correct.

09:32:39 14 Q. You referred to the technologists that work at the

09:32:42 15 companies. There's no lab, is there?

09:32:45 16 A. No lab where? In the office?

09:32:56 17 Q. At any of these five companies, whether in that office

09:33:00 18 or anywhere else, there is no laboratory, correct?

09:33:02 19 A. Correct.

09:33:05 20 Q. There's no location where folks are working on research

09:33:09 21 and development at these five companies, correct?

09:33:16 22 A. Correct.

09:33:17 23 Q. And there's no baseband chip creation going on at these

09:33:22 24 five companies, right?

09:33:24 25 A. Correct.

09:33:26 1 Q. In fact, there's no product creation whatsoever at
09:33:31 2 these five companies, correct?
09:33:34 3 A. Yes, that's correct.
09:33:37 4 Q. Now, sir, you were described as the president and CEO
09:33:41 5 of these five companies; do I have that right?
09:33:45 6 A. Yes.
09:33:45 7 Q. Now, you actually receive your W-9 tax form from a
09:33:50 8 different company, right?
09:33:51 9 A. Yes.
09:33:54 10 Q. Who is that?
09:33:55 11 A. Hilco Global.
09:34:00 12 Q. I'm sorry?
09:34:01 13 A. Hilco Global.
09:34:04 14 Q. And what is your job at Hilco Global?
09:34:08 15 A. I am hired -- I -- I am hired specifically for the role
09:34:15 16 of -- my current role as president and CEO of PanOptis.
09:34:19 17 Q. And, actually, the way in which you're the president
09:34:23 18 and CEO is by way of contract through a management
09:34:27 19 agreement; do I have that right?
09:34:28 20 MR. SHEASBY: Your Honor, objection, motion in
09:34:31 21 limine. Structure of the companies.
09:34:35 22 MR. MUELLER: He's described as the president and
09:34:37 23 CEO, Your Honor.
09:34:47 24 THE COURT: Can you specify the specific order in
09:34:49 25 limine for me, Mr. Sheasby?

09:35:03 1 MR. SHEASBY: 12.

09:35:12 2 THE COURT: That was denied with regard to the

09:35:15 3 ordinary business structure of the parties. I think these

09:35:18 4 questions probably fall in that category. I'll overrule

09:35:21 5 your objection.

09:35:22 6 MR. SHEASBY: Thank you, Your Honor.

09:35:23 7 Q. (By Mr. Mueller) Sir, you are CEO and president by way

09:35:26 8 of contract through a management agreement; do I have that

09:35:28 9 right?

09:35:37 10 A. Correct.

09:35:37 11 Q. So you're not actually a direct employee of these five

09:35:41 12 companies, are you?

09:35:44 13 A. I wouldn't characterize it that way.

09:35:54 14 Q. Well, you don't receive a W-9 tax form from any of the

09:35:58 15 five, do you?

09:35:59 16 A. No.

09:36:04 17 Q. You receive your W-9 from Hilco, correct?

09:36:07 18 A. Yes.

09:36:08 19 Q. And you're the president and CEO through a contract

09:36:12 20 with these other five companies, right?

09:36:14 21 A. I can't agree -- I can't agree with that statement.

09:36:27 22 Q. Well, let's take a look at your deposition.

09:36:30 23 Now, you were deposed in this case, correct?

09:36:33 24 A. Yes.

09:36:34 25 Q. And a deposition is our opportunity to ask you some

09:36:38 1 questions before trial, correct?

09:36:41 2 A. Yes.

09:36:41 3 Q. And you understand that's part of the fairness of the

09:36:44 4 process. We get a chance to hear from you before you

09:36:47 5 arrive in court today, right?

09:36:50 6 A. Yes.

09:36:50 7 Q. And so you sat for a deposition, correct?

09:36:54 8 A. Yes, I did.

09:36:54 9 Q. And it was under oath, right?

09:36:59 10 A. Yes.

09:36:59 11 Q. You swore to tell the truth in that deposition?

09:37:03 12 A. Yes.

09:37:03 13 Q. And you did, right?

09:37:04 14 A. I did.

09:37:07 15 Q. So let's take a look at your deposition. There should

09:37:10 16 be a binder in front of you. It's Tab 1. And take your

09:37:12 17 time and let me know when you're at Page 5.

09:37:25 18 And I want to focus your attention on Line 24

09:37:32 19 through 25. Do you see where you were asked: Have you

09:37:40 20 ever been an employee of PanOptis Patent Management?

09:37:44 21 And then a little bit further down, Page 1 on the

09:37:47 22 next page --

09:37:48 23 MR. SHEASBY: Your Honor, this is not proper

09:37:52 24 impeachment.

09:37:52 25 THE COURT: If you're going to object,

09:37:54 1 Mr. Sheasby, you need to stand up, too.

09:37:55 2 MR. SHEASBY: This is not proper impeachment,
09:37:58 3 Your Honor. He needs to show it to the witness, and he
09:37:59 4 needs to ask the witness if that's what he testified to,
09:38:01 5 and then it can be published. This is not how -- how you
09:38:06 6 impeach. It's not any different from what he said.

09:38:08 7 MR. MUELLER: Your Honor, I object to the -- the
09:38:11 8 argument.

09:38:11 9 THE COURT: Well, I'm going to sustain the
09:38:14 10 Plaintiffs' objection as to the form of the impeachment.
09:38:16 11 You do need to show it to the witness first and confirm
09:38:19 12 that's what he said, and then you can publish it.

09:38:21 13 MR. MUELLER: Understood, Your Honor. Thank you.

09:38:23 14 Q. (By Mr. Mueller) Mr. Blasius, if you could please look
09:38:25 15 at Lines 24 to 25, and we'll keep this off the screen.

09:38:29 16 Do you see you were asked:

09:38:30 17 Question: Have you ever been an employee of
09:38:34 18 PanOptis Patent Management?

09:38:34 19 Answer: Yes, I am a -- I am, by way of contract
09:38:39 20 through a management agreement, named president and CEO of
09:38:42 21 PanOptis.

09:38:43 22 Sir, were you asked that question, and did you
09:38:45 23 give that answer?

09:38:50 24 A. I'm just looking for -- so Page 5 -- what line?

09:38:55 25 Q. It starts at Line 24, sir, and it carries over to the

09:39:00 1 next page, Lines 1 through 3. And take your time. I want
09:39:05 2 to make sure you see it. Have you read it, sir?

09:39:33 3 A. Yes.

09:39:34 4 Q. Were you asked:

09:39:35 5 Question: Have you ever been an employee of
09:39:38 6 PanOptis Patent Management?

09:39:39 7 Answer: Yes, I am a -- I am, by way of contract
09:39:49 8 through a management agreement, named president and CEO of
09:39:53 9 PanOptis.

09:39:53 10 Were you asked that question and did you give that
09:39:56 11 answer?

09:39:56 12 A. Yes.

09:40:07 13 MR. SHEASBY: Your Honor, rule of completeness.
09:40:11 14 Page 6, Lines 18 through 23.

09:40:13 15 THE COURT: You can address it on redirect,
09:40:15 16 Mr. Sheasby.

09:40:17 17 MR. MUELLER: And may I now show the testimony to
09:40:19 18 the jury, Your Honor?

09:40:22 19 THE COURT: Yes. Typically, Mr. Mueller, the
09:40:24 20 witness is asked, did you read these lines? Did you give
09:40:26 21 these answers? You don't read them out loud so the jury
09:40:31 22 hears them. You confirm the witness has read them and
09:40:34 23 those are the answers he gave. And if he affirms that,
09:40:37 24 then you show the published section to the jury and go
09:40:40 25 over it with them. That's the proper impeachment method.

09:40:43 1 MR. MUELLER: Understood, Your Honor. Thank you.

09:40:44 2 THE COURT: By the time we're seeing this, you've

09:40:46 3 read it to him verbatim twice.

09:40:50 4 MR. MUELLER: Understood. I'm not going to read

09:40:53 5 it again, Your Honor. Thank you.

09:40:55 6 THE COURT: All right. Let's get our impeachment

09:40:58 7 process straight going forward.

09:40:58 8 MR. MUELLER: Absolutely, Your Honor.

09:40:59 9 THE COURT: Let's move along.

09:40:59 10 Q. (By Mr. Mueller) Mr. Blasius, you testified that you

09:41:01 11 had been in this industry for quite some time, the cellular

09:41:04 12 industry, right?

09:41:05 13 A. Yes.

09:41:05 14 Q. And how long exactly have you been working in the

09:41:08 15 cellular industry?

09:41:13 16 A. In the cellular industry, for over 25 years.

09:41:16 17 Q. And your particular responsibilities in this industry

09:41:22 18 have been focused on patents and patent licensing, right?

09:41:25 19 A. Yes.

09:41:27 20 Q. But you also talked to us on direct examination about

09:41:31 21 standards, right?

09:41:31 22 A. Correct.

09:41:35 23 Q. You also talked to us about products that were launched

09:41:38 24 in the mid-2000s and later, correct?

09:41:40 25 A. Yes.

09:41:42 1 Q. And you have familiarity with those topics, right?

09:41:48 2 A. Yes.

09:41:49 3 Q. So I want to show you something that was said yesterday
09:41:52 4 in opening statement and ask you about it in light of your
09:41:56 5 own experience, okay?

09:41:58 6 A. Okay.

09:41:59 7 Q. All right.

09:41:59 8 MR. MUELLER: If we could put up from the
09:42:02 9 transcript yesterday Page 209, Lines 8 through 15.

09:42:09 10 Q. (By Mr. Mueller) And you were here for the opening
09:42:12 11 statements, right, sir?

09:42:12 12 A. Yes, I was.

09:42:13 13 Q. You were sitting right here?

09:42:14 14 A. Yes.

09:42:14 15 Q. Okay. This is from Plaintiffs' opening statement,
09:42:17 16 quote:

09:42:18 17 Now, there's an interesting story here. So we
09:42:20 18 think of Apple as a company that makes phones. But in
09:42:24 19 2007, for example, when Apple launched its first phone, it
09:42:27 20 was a computer company.

09:42:28 21 In 2007, when Apple launched its first phone, it
09:42:32 22 launched it as 2G. So the exact time that Samsung,
09:42:35 23 Panasonic, and LG were creating this incredible 4G
09:42:38 24 technology, Apple was stuck at 2G.

09:42:40 25 You heard that said by Mr. Sheasby, right?

09:42:43 1 A. Yes.

09:42:48 2 Q. So you understand the opening statements are not

09:42:51 3 evidence. We're now presenting evidence through witnesses

09:42:53 4 and documents, right?

09:42:54 5 A. Yes.

09:42:57 6 Q. So I want to ask you about some facts here.

09:43:00 7 First, did Samsung, Panasonic, and LG alone create

09:43:05 8 this incredible 4G standard?

09:43:14 9 A. No, they did it with others.

09:43:16 10 Q. Well, in fact, there were many others, right, sir?

09:43:19 11 A. There were -- there were a number of others that

09:43:26 12 included major contributions.

09:43:28 13 Q. Dozens and dozens of companies went to the European

09:43:35 14 Telecommunications Standards Institute and worked on these

09:43:36 15 standards, correct?

09:43:45 16 A. Yes.

09:43:45 17 Q. So any suggestion that Samsung, Panasonic, and LG got

09:43:50 18 together and created 4G on their own, that's not correct,

09:43:55 19 is it, sir?

09:43:55 20 A. I wouldn't characterize it that way.

09:44:03 21 Q. Meaning you wouldn't characterize it as Samsung,

09:44:07 22 Panasonic, and LG creating LTE, would you?

09:44:10 23 A. Can you repeat the question, please?

09:44:21 24 Q. Sure. You would not tell the jury as a matter of fact

09:44:25 25 that Samsung, Panasonic, and LG got together and created

09:44:30 1 LTE? You would not say that, would you?

09:44:33 2 A. There is more to that story.

09:44:44 3 Q. And the more to that story is the dozens and dozens of

09:44:49 4 other companies that were involved in creating LTE, right?

09:44:52 5 A. No, I wouldn't agree with that.

09:44:58 6 Q. Sir, dozens and dozens of other companies went to the

09:45:04 7 European Telecommunications Standards Institute and

09:45:07 8 attended meetings like the one we saw on one of the slides

09:45:10 9 that Mr. Sheasby showed. Isn't that true?

09:45:13 10 A. That's not entirely accurate about what was created.

09:45:18 11 Q. Sir, I asked the question, dozens and dozens of other

09:45:24 12 companies went to the European Telecommunications Standards

09:45:26 13 Institute and went to those meetings, that's a fact, isn't

09:45:29 14 it?

09:45:32 15 A. Yes, that is true.

09:45:33 16 Q. Now, this also says, Apple was stuck at 2G. Do you see

09:45:42 17 that, sir?

09:45:42 18 A. Yes, I see that.

09:45:49 19 Q. And, in fact, there was a suggestion that Apple had

09:45:51 20 fallen behind Samsung, right?

09:45:56 21 A. Yes.

09:45:57 22 Q. Had to take technology from Samsung to catch up, that

09:46:00 23 was the suggestion, right?

09:46:01 24 A. I don't recall that specific point from -- from that,

09:46:18 25 but -- and I don't see it here.

09:46:20 1 Q. Well, you, sir, were in the industry yourself in the
09:46:25 2 mid-2000s, right?

09:46:29 3 A. Yes.

09:46:32 4 MR. MUELLER: Let's take a look at DDX-4.3.

09:46:36 5 Q. (By Mr. Mueller) Sir, you know that Samsung was
09:46:43 6 offering phones like this in the mid-2000s, correct?

09:46:48 7 A. This appears to be a phone that was produced by Samsung
09:47:01 8 from -- from what I can see.

09:47:03 9 Q. And you remember phones like that from your own work at
09:47:06 10 that time, correct?

09:47:06 11 A. Yes.

09:47:09 12 Q. Has lots of buttons on the bottom half of the screen,
09:47:16 13 right?

09:47:16 14 A. Yes.

09:47:16 15 Q. A smaller screen on the top; do you see that, sir?

09:47:20 16 A. Yes, I see that.

09:47:21 17 Q. And there's some click wheels and so on in the middle,
09:47:25 18 right?

09:47:25 19 A. Yes.

09:47:28 20 MR. MUELLER: Let's go to DDX4.4.

09:47:31 21 Q. (By Mr. Mueller) The original iPhone was introduced in
09:47:34 22 2007, correct?

09:47:38 23 A. Yes.

09:47:38 24 Q. And you would agree, sir, that was a big deal in the
09:47:41 25 industry at the time, wasn't it?

09:47:43 1 A. It was -- it was -- it was a new -- a new launch of a
09:47:51 2 new device.

09:47:51 3 Q. And it was an entirely new design, wasn't it?

09:47:56 4 A. Yes, it was a new design.

09:48:06 5 Q. And, in fact, the Samsung phones that were released in
09:48:09 6 the next few years after that changed, didn't they?

09:48:13 7 A. I would agree that some of their phones have changed.

09:48:30 8 MR. MUELLER: Well, let's advance the slide, if we
09:48:32 9 could, to DDX4.5.

09:48:35 10 Q. (By Mr. Mueller) Samsung started to release phones
09:48:37 11 that looked remarkably like the iPhone, didn't they?

09:48:40 12 A. Yes, yes, they -- Samsung has phones that are very much
09:48:56 13 like the phones you see here.

09:48:59 14 MR. MUELLER: Well, if we advance to 4.6.

09:49:02 15 Q. (By Mr. Mueller) It's not just the shape, the graphics
09:49:10 16 and the icons look highly similar, correct?

09:49:13 17 A. Yes, I see that.

09:49:14 18 Q. Apple came up with this approach first, didn't they?

09:49:19 19 A. Apple -- Apple launched this design first, yes.

09:49:34 20 Q. And Samsung copied it, didn't they?

09:49:37 21 A. I don't know if I can agree with that.

09:49:53 22 Q. Sir, the suggestion was made to the jury that Apple was
09:49:56 23 behind and had to take Samsung's technology. You know, as
09:49:59 24 a matter of fact, it's the opposite, right?

09:50:05 25 A. I wouldn't agree with that -- with this -- with the

09:50:09 1 facts in this case.

09:50:10 2 Q. Sir, do you agree those phones on the right-hand side
09:50:13 3 of this screen are Samsung phones that in your own personal
09:50:17 4 experience from working in this field were released around
09:50:20 5 about 2010?

09:50:26 6 A. I can see the dates here. I assume they're correct.

09:50:39 7 I -- I don't know the specific model numbers to the
09:50:41 8 dates --

09:50:41 9 Q. Fair enough.

09:50:43 10 A. -- on the Samsung devices.

09:50:45 11 Q. Fair enough. But you have no basis to dispute Samsung
09:50:49 12 was offering phones like that in the 2010 time period,
09:50:52 13 correct?

09:50:52 14 A. Yes, from what I can see here, Samsung has these phones
09:51:04 15 in 2010 and 2011.

09:51:06 16 Q. Three years after the original iPhone was introduced,
09:51:11 17 correct?

09:51:11 18 A. These products that I see here, yes, they were three
09:51:23 19 years after.

09:51:24 20 Q. So the truth is Apple hadn't fallen behind Samsung,
09:51:30 21 Samsung had fallen behind Apple, correct?

09:51:32 22 A. I can't agree with that.

09:51:45 23 Q. LTE, let's talk about it.

09:51:50 24 MR. MUELLER: Will you take those slides down?

09:51:52 25 Thank you, sir.

09:51:53 1 Q. (By Mr. Mueller) LTE, the standard, we can agree, was
09:51:57 2 created in a standards setting organization called the
09:52:02 3 European Telecommunications Standards organization, as well
09:52:03 4 as some other standards groups, right?
09:52:06 5 A. Yes, that's correct.
09:52:09 6 Q. And the five companies that are the Plaintiffs in this
09:52:13 7 case are not members of ETSI, right?
09:52:14 8 A. Correct.
09:52:20 9 Q. You don't go to the ETSI meetings?
09:52:24 10 A. No.
09:52:24 11 Q. You don't make technical proposals to ETSI?
09:52:27 12 A. No.
09:52:29 13 Q. None of that, right?
09:52:31 14 A. We don't do that, no.
09:52:34 15 Q. Now, other companies do. They actually go to these
09:52:40 16 meetings, correct?
09:52:42 17 A. Yes.
09:52:43 18 Q. And you know one of the companies that goes to these
09:52:47 19 meetings is Qualcomm, right?
09:52:50 20 A. Yes, I understand Qualcomm.
09:52:53 21 Q. Qualcomm is a major supplier of those baseband chips,
09:53:01 22 correct?
09:53:01 23 A. Yes.
09:53:01 24 Q. Qualcomm does attend these meetings and make proposals
09:53:07 25 for standards like LTE, correct?

09:53:08 1 A. Yes.

09:53:13 2 Q. Intel is another company that has made baseband chips

09:53:17 3 over the years, right?

09:53:18 4 A. Yes.

09:53:23 5 Q. Intel has gone to these meetings for standards like

09:53:28 6 LTE, correct?

09:53:28 7 A. I believe so. I don't have personal knowledge about

09:53:39 8 that.

09:53:39 9 Q. You have no reason to dispute that?

09:53:42 10 A. I -- I don't -- I don't believe I can dispute that.

09:53:49 11 Q. Have you yourself ever gone to one of those meetings?

09:53:52 12 A. No.

09:53:53 13 Q. Have you ever read the LTE standard, by the way?

09:53:58 14 A. No. It's a very long document.

09:54:01 15 Q. It's a very big document --

09:54:03 16 A. It's very technical.

09:54:05 17 Q. I'm sorry.

09:54:05 18 A. And very technical.

09:54:07 19 Q. Have you ever tried to read any portion of it?

09:54:09 20 A. No, that's not what I would do in my job.

09:54:12 21 Q. Have you ever tried to read the piece of it that these

09:54:16 22 five companies are claiming these five patents cover that

09:54:21 23 are seeking \$500 million, have you ever tried to read that?

09:54:24 24 A. No, I rely on the technologists to do that.

09:54:27 25 Q. Qualcomm and Intel over the years have supplied

09:54:30 1 baseband chips, correct?

09:54:35 2 A. Yes.

09:54:36 3 Q. And did you hear me say in my own opening statement

09:54:40 4 yesterday that Apple, over the years, has used Qualcomm and

09:54:45 5 Intel as suppliers of baseband chips?

09:54:46 6 A. Yes.

09:54:51 7 Q. Have your five companies ever contacted Qualcomm or

09:54:56 8 Intel?

09:54:56 9 A. No.

09:54:59 10 Q. Not once?

09:55:00 11 A. No.

09:55:03 12 Q. Not once about these five patents?

09:55:05 13 A. No.

09:55:09 14 Q. Now, you understand the infringement claims in this

09:55:11 15 case are being directed in significant part to the baseband

09:55:16 16 chips of Qualcomm and Intel?

09:55:17 17 A. I can't agree with that a hundred percent.

09:55:28 18 Q. Do you have any idea one way or the other?

09:55:32 19 A. About which --

09:55:34 20 Q. About whether the infringement theories in this case

09:55:37 21 relate to baseband chips. Do you know?

09:55:40 22 A. No, the infringement theories relate to the LTE

09:55:47 23 standard in the specifications.

09:55:49 24 Q. But you understand that you can't just -- well,

09:55:53 25 withdrawn.

09:55:53 1 You're not suing the European Telecommunications
09:55:57 2 Standards Institute in this case, are you?
09:55:58 3 A. No, we are not.
09:56:01 4 Q. You're not saying ETSI, you infringe by publishing this
09:56:05 5 LTE standard? You're not saying that, are you?
09:56:09 6 A. No.
09:56:10 7 Q. What you're accusing of infringement in this case are
09:56:14 8 actual products, phones, iPads, watches, right?
09:56:22 9 A. Yes, the products that are using the LTE standard.
09:56:25 10 Q. And so the ladies and gentlemen of the jury are going
09:56:27 11 to have to decide whether the five patents in this case are
09:56:30 12 used in the actual products accused of infringement, right?
09:56:33 13 A. Not -- not exactly. There -- the -- the fact that
09:56:42 14 they -- that the products are using the LTE standard.
09:56:45 15 Q. Well, sir, you understand that at some -- in some form
09:56:48 16 or fashion, you've got to try to make a link to the actual
09:56:51 17 products, right?
09:56:52 18 A. Yes.
09:56:53 19 Q. So, ultimately, the jury needs to decide do these
09:56:58 20 products use the five patents, correct?
09:57:00 21 A. It's not entirely correct.
09:57:15 22 Q. Sir, the fact that these five patents have been
09:57:21 23 declared essential doesn't make them necessarily essential,
09:57:24 24 does it?
09:57:25 25 A. The declara -- the declaration actually declares that

09:57:37 1 the patent may be essential.

09:57:38 2 Q. May be essential, right? That's -- those are the words

09:57:43 3 in the declaration, may be essential?

09:57:45 4 A. The declaration, yes.

09:57:47 5 Q. So let's just make sure the ladies and gentlemen of the

09:57:50 6 jury understand this process.

09:57:51 7 Folks who are at ETSI can declare patents

09:57:58 8 essential to ETSI, right?

09:58:00 9 A. Yes.

09:58:08 10 Q. And ETSI maintains a database of those declarations,

09:58:15 11 right?

09:58:15 12 A. Correct.

09:58:17 13 Q. And there's thousands upon thousands of patents in that

09:58:21 14 database, right?

09:58:21 15 A. Yes.

09:58:26 16 Q. And there's no one at ETSI checking them as they come

09:58:30 17 in the door to see if they're actually essential or not,

09:58:37 18 correct?

09:58:37 19 A. Correct.

09:58:38 20 Q. That doesn't happen, right?

09:58:43 21 A. Not at ETSI.

09:58:44 22 Q. So what's happening here is companies are themselves

09:58:49 23 declaring that their patents may be essential, right?

09:58:57 24 A. Yes.

09:58:57 25 Q. And you heard me in my opening statement. I said that

09:59:00 1 I could declare myself an NFL quarterback. It wouldn't
09:59:04 2 necessarily make it true. You heard me say that?
09:59:06 3 A. Yes, I heard you say that.
09:59:08 4 Q. And the same thing with this ETSI database, the fact
09:59:11 5 that a company declares a patent as essential doesn't
09:59:13 6 necessarily make it true, right?
09:59:15 7 A. In my experience, the company that declares it
09:59:23 8 essential believes that it may be essential to the
09:59:26 9 standard.
09:59:26 10 Q. Well, in fact, sir, in your experience, there's been an
09:59:30 11 over declaration problem, right?
09:59:31 12 A. Yes.
09:59:34 13 Q. And what you mean by that is there's been more patents
09:59:38 14 declared essential than are actually essential, correct?
09:59:41 15 A. Yes.
09:59:45 16 Q. And, sir, you understand the ladies and gentlemen of
09:59:48 17 this jury get to decide whether you're right? They have
09:59:53 18 the power to decide if these are actually essential and
09:59:56 19 used in the Apple products, correct?
09:59:58 20 A. Yes, they do.
09:59:59 21 Q. They don't have to take your declaration at face value;
10:00:02 22 they get to look at the evidence, right?
10:00:04 23 A. Correct.
10:00:05 24 Q. And you understand that in a patent case, you can't
10:00:09 25 just ask for money, you got to prove your case

10:00:14 1 patent-by-patent, limitation-by-limitation in the claims,
10:00:17 2 correct?

10:00:17 3 A. Yes.

10:00:24 4 Q. And we can agree on this. You didn't look at a single
10:00:27 5 claim limitation with Mr. Sheasby in your direct
10:00:30 6 examination, right?

10:00:30 7 A. No, not -- we did not look at that in my direct.

10:00:41 8 MR. MUELLER: Your Honor, may I use the easel?

10:00:45 9 THE COURT: You may.

10:00:58 10 Q. (By Mr. Mueller) Mr. Blasius, I want to ask you a few
10:01:01 11 questions about the acquisitions of these patents. You
10:01:06 12 referred to the jury the amount of money in total that
10:01:08 13 these five companies have spent as part of the operations
10:01:11 14 of these companies, correct?

10:01:12 15 A. Yes.

10:01:13 16 Q. And I think you threw around the number \$450 million?

10:01:18 17 A. Yes.

10:01:18 18 Q. You didn't mean to suggest that \$450 million was just
10:01:23 19 for the five patents in this case, did you?

10:01:29 20 A. We've -- no, we've invested the \$450 million in the
10:01:33 21 business.

10:01:34 22 Q. Well, let's make clear to the ladies and gentlemen of
10:01:36 23 the jury what actually happened here. I want to take these
10:01:40 24 transactions one-by-one, starting with Samsung. Do you
10:01:44 25 have that in mind?

10:01:45 1 THE COURT: Mr. Mueller, we don't really need
10:01:49 2 sidebar comments about let's make this clear to the ladies
10:01:52 3 and gentlemen of the jury. If you'll ask the question and
10:01:53 4 he gives a straight answer, the ladies and gentlemen of the
10:01:56 5 jury will get it.

10:01:56 6 MR. MUELLER: Thank you, Your Honor.

10:01:57 7 Q. (By Mr. Mueller) Mr. Blasius, may we talk about the
10:02:01 8 Samsung transaction?

10:02:02 9 A. Yes.

10:02:02 10 Q. How much money was paid to Samsung?

10:02:14 11 A. How much money did we pay Samsung?

10:02:17 12 Q. That's right, sir.

10:02:18 13 A. We did not pay Samsung.

10:02:21 14 Q. Nothing at all?

10:02:22 15 A. No.

10:02:22 16 Q. What did you give Samsung in return for the patents?

10:02:25 17 A. We gave them a license to our patents and had agreed to
10:02:33 18 acquire the company.

10:02:36 19 Q. So Samsung received a license to a -- to a set of
10:02:45 20 patents. Do I have that right?

10:02:47 21 A. Yes.

10:02:48 22 Q. And how many patents in particular did Samsung receive
10:02:51 23 a license to?

10:02:51 24 A. It was the license to the three portfolios.

10:03:04 25 Q. And how many patents are in those three portfolios?

10:03:07 1 A. A few thousand.

10:03:10 2 Q. Several thousand?

10:03:11 3 A. Several.

10:03:12 4 Q. And, in return, what did Samsung give to the

10:03:24 5 Plaintiffs?

10:03:25 6 A. In return for the license?

10:03:30 7 Q. In return for what was given to Samsung, what did

10:03:34 8 Samsung give to you?

10:03:35 9 A. They paid license fees in cash and also transferred the

10:03:42 10 patents to us.

10:03:43 11 Q. How many patents?

10:03:43 12 A. There were 19 patent families.

10:03:50 13 Q. And how many total patents?

10:03:53 14 A. I don't recall the exact number.

10:03:57 15 Q. Dozens?

10:04:00 16 A. In total, worldwide, that -- that sounds accurate.

10:04:10 17 Q. And of those dozens of patents that were transferred to

10:04:19 18 the Plaintiffs, which of them are in this case?

10:04:23 19 A. In this case? One.

10:04:27 20 Q. Which one?

10:04:27 21 A. I believe it's the '774 patent, if I recall correctly.

10:04:40 22 Q. So let's try to sum up, sir, if we could, okay?

10:04:49 23 First --

10:04:50 24 MR. SHEASBY: Your Honor, I object to these

10:04:52 25 sidebars.

10:04:52 1 MR. MUELLER: I was asking a question,
10:04:55 2 Your Honor: May we -- may we sum up, sir?
10:04:57 3 THE COURT: Overruled.
10:04:58 4 Proceed with your question.
10:04:59 5 Q. (By Mr. Mueller) Samsung received a license to the
10:05:01 6 Plaintiffs' portfolios of patents, correct?
10:05:08 7 A. Yes.
10:05:08 8 Q. Several thousand patents, right?
10:05:15 9 A. Yes.
10:05:15 10 Q. And, in return, Samsung transferred 19 patent families,
10:05:24 11 correct?
10:05:24 12 A. Yes, I see that.
10:05:26 13 Q. With dozens of patents in them, right?
10:05:31 14 A. Yes.
10:05:32 15 Q. Of which one of them is the '774, correct?
10:05:38 16 A. Correct.
10:05:39 17 Q. And nothing in that agreement identifies the '774
10:05:43 18 patent as having special significance, correct?
10:05:51 19 A. I don't recall. I don't have the agreement in front of
10:06:04 20 me. I know that the agreement had a list associated with
10:06:10 21 it.
10:06:11 22 Q. Sir, as you sit here right now, you can't recall
10:06:14 23 anything in that agreement identifying the '774 as having
10:06:18 24 special significance, correct?
10:06:33 25 A. I can't recall of what's in -- I can't recall exactly

10:06:37 1 what's in the agreement.

10:06:38 2 Q. May we turn to the Panasonic agreement?

10:06:41 3 A. Sure.

10:06:42 4 Q. What did Panasonic receive from the Plaintiffs?

10:06:57 5 A. What did Panasonic receive?

10:06:59 6 Q. That's right, sir. What did Panasonic -- what did

10:07:02 7 Panasonic receive?

10:07:03 8 A. They received a payment for us creating the company,

10:07:15 9 along with an ongoing commitment that they were going to

10:07:20 10 share in a -- share in a substantial amount of royalties.

10:07:24 11 Q. How much was the payment?

10:07:25 12 A. I can't remember the specific number on the payment

10:07:44 13 that was made upfront. It was in excess -- it was tens of

10:07:51 14 millions of dollars.

10:07:52 15 Q. You don't remember how much it was?

10:07:53 16 A. I don't recall the exact number.

10:07:54 17 Q. Less than a hundred million?

10:07:57 18 A. I believe that to be accurate.

10:08:04 19 Q. And you mentioned some ongoing share of revenues; is

10:08:15 20 that right, sir?

10:08:16 21 A. Yes.

10:08:18 22 Q. What did the Plaintiffs receive in return?

10:08:22 23 A. We received the -- the patents that were listed in the

10:08:40 24 assignment documents and received ownership of the patents.

10:08:43 25 Q. How many?

10:08:45 1 A. There were -- there were a number of patents, probably
10:09:03 2 near a thousand, maybe more.

10:09:08 3 Q. Which of those a thousand or more patents are in this
10:09:18 4 case?

10:09:18 5 A. I believe there's two from Panasonic.

10:09:38 6 Q. Do you know which ones?

10:09:40 7 A. I don't recall the exact numbers of which ones are
10:09:53 8 the -- the Panasonic patents.

10:09:57 9 Q. You don't remember?

10:10:02 10 A. I can't recall the exact number of -- I don't -- I
10:10:14 11 don't want to misrepresent which ones are the Panasonic
10:10:17 12 numbers and which ones are the LG numbers.

10:10:18 13 Q. Sir, there's nothing in the agreement with Panasonic
10:10:22 14 that identifies those patents, whatever they are, as having
10:10:26 15 special significance, correct?

10:10:32 16 A. I can't agree with that.

10:10:40 17 Q. Sir, you don't even remember the two patents yourself,
10:10:43 18 do you?

10:10:43 19 A. I don't want to misrepresent the -- which -- I don't
10:10:49 20 want to misrepresent the numbers. I know the numbers of
10:10:52 21 the patents. I don't want to misrepresent the names
10:10:55 22 between the companies.

10:10:55 23 Q. I can try to jog your memory. Is it the '557 patent?

10:10:59 24 A. So the '557 patent is -- I would assume -- if you're
10:11:04 25 saying that, that is the Panasonic patent.

10:11:07 1 Q. No, sir, I'm asking. Do you know if the '557 patent
10:11:10 2 came from Panasonic?

10:11:11 3 A. Again, I'm -- I don't want to misrepresent which
10:11:30 4 numbers are with which company. I know there's the five
10:11:34 5 patents-in-suit, and I don't want to misrepresent the
10:11:36 6 numbers. So I believe it to be the '557.

10:11:39 7 Q. Do you know if the '284 patent is the other patent that
10:11:41 8 came from Panasonic? Do you know one way or the other?

10:11:45 9 A. I believe it to be. I -- it's -- again, I don't want
10:12:05 10 to misrepresent if it's a Panasonic or an LG patent. I
10:12:09 11 know there's --

10:12:10 12 Q. There's two?

10:12:12 13 A. Right.

10:12:13 14 Q. So whatever those two are, do you know whether the
10:12:18 15 Panasonic agreement with the Plaintiffs put any special
10:12:23 16 significance on those two? Do you know one way or the
10:12:26 17 other?

10:12:26 18 A. I know that the agreement was transferring the patents,
10:12:44 19 and the agreement was to -- and the spirit of the agreement
10:12:47 20 was to transfer patents in the LTE space.

10:12:50 21 Q. Sir, if you'd please just stay with my question.

10:12:53 22 Do you know whether the two patents that are in
10:12:55 23 this case that originated with Panasonic were given any
10:12:58 24 special significance in the Panasonic agreement? Do you
10:13:00 25 know that, sir?

10:13:01 1 THE COURT: Mr. Mueller, if you think the witness
10:13:04 2 is non-responsive, you don't need to tell him to stay with
10:13:07 3 your question. You need to raise it with the Court. I'll
10:13:10 4 deal with any non-responsiveness.

10:13:12 5 MR. MUELLER: Thank you, Your Honor.

10:13:13 6 THE COURT: Restate your question, and then we'll
10:13:15 7 get the witness to answer.

10:13:16 8 Q. (By Mr. Mueller) Sir, do you know whether the
10:13:17 9 agreement between Panasonic and the five companies that are
10:13:21 10 the Plaintiffs in this case attached any special
10:13:24 11 significance to the two Panasonics -- Panasonic patents in
10:13:33 12 this case?

10:13:33 13 A. I do not.

10:13:34 14 Q. Let's go to the third -- well, may we turn to the LG
10:13:43 15 agreement, sir?

10:13:46 16 A. Yes.

10:13:46 17 Q. Under the Plaintiffs' agreement with LG, what did LG
10:13:55 18 receive?

10:13:55 19 A. LG received a payment.

10:14:07 20 Q. How much?

10:14:14 21 A. I believe it to be around \$30 million.

10:14:18 22 Q. What did the Plaintiffs receive in return?

10:14:27 23 A. We received the patents from LG.

10:14:35 24 Q. How many?

10:14:36 25 A. Again, it was several hundred, maybe a thousand.

10:14:48 1 Q. Which of those thousand patents are asserted in this
10:14:56 2 case?

10:14:56 3 A. Again, and I don't want to misrepresent, but if you say
10:15:05 4 that the '284 and the '557 were Panasonic, then the '833
10:15:15 5 and the '332 should be LG.

10:15:17 6 Q. Sir, I'm asking: Do you know?

10:15:20 7 A. Yes, I believe it to be the '833 and the '332.

10:15:24 8 Q. Were the '833 and the '332 given any special
10:15:34 9 significance in the agreement with LG?

10:15:41 10 A. Not that I recall.

10:15:42 11 Q. Now, have we have gone through all three agreements for
10:15:48 12 this case, sir?

10:15:49 13 A. Yes, I believe so.

10:15:56 14 Q. Under those agreements, the Plaintiffs received
10:16:00 15 thousands and thousands of patents, correct?

10:16:09 16 A. Yes.

10:16:09 17 Q. Sir, you don't recall any evidence in these three
10:16:14 18 agreements that the five patents in this case were given
10:16:17 19 special significance, correct?

10:16:31 20 A. I -- I don't recall exactly. They -- they could have
10:16:36 21 been -- there could have been references to -- to
10:16:41 22 technologies. I -- I don't recall exactly in the exhibits.

10:16:44 23 Q. As you sit here today, you don't recall any such
10:16:47 24 evidence, do you?

10:16:48 25 A. I don't recall.

10:16:54 1 Q. Sir, did you speak with Mr. Sheasby on direct
10:16:58 2 examination about licenses to these patents?
10:17:01 3 A. Yes.
10:17:03 4 Q. Now, you didn't mean to suggest those licenses were
10:17:06 5 just for the five patents in this case, did you?
10:17:08 6 A. No, I did not.
10:17:13 7 Q. Because they're not, the licenses are more than that;
10:17:18 8 is that right, sir?
10:17:18 9 A. Yes.
10:17:23 10 Q. Are they licenses to the whole portfolios?
10:17:32 11 A. Yes, they are.
10:17:33 12 Q. May we talk a bit more about these licenses?
10:17:40 13 A. Sure.
10:17:40 14 Q. Let me show you another statement from the opening.
10:17:46 15 MR. MUELLER: This is Page 216, Lines 23, to Page
10:17:51 16 217, Line 6.
10:17:52 17 Q. (By Mr. Mueller) And Mr. Sheasby said: So, to be
10:18:01 18 clear, LG, Panasonic, and Samsung, who participated in the
10:18:04 19 creation of those standards, LG, Panasonic, and Samsung
10:18:08 20 patents, which are licensed by essentially every other
10:18:12 21 major LTE phone manufacturer in the United States.
10:18:15 22 Were you here for that statement, sir?
10:18:17 23 A. Yes, I was.
10:18:21 24 Q. And do you agree that essentially every other major LTE
10:18:25 25 phone manufacturer in the United States has licensed these

10:18:29 1 patents?

10:18:45 2 A. Generally, a large portion of it have.

10:18:53 3 MR. MUELLER: Move to strike as non-responsive.

10:18:57 4 THE COURT: Overruled.

10:18:59 5 Q. (By Mr. Mueller) Let's go through -- may we go through

10:19:02 6 some specific companies, sir?

10:19:04 7 A. Yes. Sorry.

10:19:12 8 MR. MUELLER: Let's pull up PDX-1.13, which is a

10:19:16 9 slide from the opening statement.

10:19:18 10 Q. (By Mr. Mueller) Did you see this yesterday, sir?

10:19:20 11 Let's wait until it's pulled up here.

10:19:30 12 You saw this in the opening statement, sir?

10:19:32 13 A. Yes, I did.

10:19:35 14 Q. And do you see there's a list of companies on the

10:19:37 15 bottom there?

10:19:47 16 A. Yes, I see the list.

10:19:49 17 Q. And these are companies that have some relationship to

10:19:52 18 the cellular industry?

10:19:53 19 A. I -- I believe that to be. I see a number of the

10:20:08 20 companies there that I recognize.

10:20:10 21 Q. May we go through a few of them?

10:20:13 22 A. Yes.

10:20:13 23 Q. Hitachi. Hitachi has not taken a license to the

10:20:19 24 Plaintiffs' patents, correct?

10:20:20 25 A. No, they haven't.

10:20:26 1 Q. Siemens has not taken a license to the Plaintiffs'
10:20:30 2 patents, correct?
10:20:31 3 A. No.
10:20:36 4 Q. Sony has not taken a license to the Plaintiffs'
10:20:40 5 patents, correct?
10:20:40 6 A. No.
10:20:47 7 Q. IBM has not taken a license to the Plaintiffs' patents,
10:20:51 8 correct?
10:20:56 9 A. No.
10:20:56 10 Q. Sharp has not taken a license to the Plaintiffs'
10:21:01 11 patents, correct?
10:21:01 12 A. No.
10:21:05 13 Q. GE has not taken a license to the Plaintiffs' patents,
10:21:09 14 correct?
10:21:09 15 A. No.
10:21:12 16 Q. Hewlett-Packard has not taken a license to the
10:21:16 17 Plaintiffs' patents, correct?
10:21:17 18 A. No.
10:21:20 19 Q. Nokia has not taken a license to the Plaintiffs'
10:21:24 20 patents, correct?
10:21:24 21 A. I don't believe so.
10:21:46 22 Q. Technicolor has not taken a license to the Plaintiffs'
10:21:49 23 patents, correct?
10:21:50 24 A. No, they haven't.
10:21:59 25 Q. Phillips has not taken a license to the Plaintiffs'

10:22:02 1 patents, correct?

10:22:03 2 A. No, they haven't.

10:22:07 3 Q. And this list goes on, the list on the screen, doesn't

10:22:11 4 it?

10:22:11 5 A. Yes, it's a list, a large list.

10:22:16 6 Q. Many, many companies have decided not to take a license

10:22:19 7 to the Plaintiffs' patents, correct?

10:22:21 8 A. I can't agree with that as the way you phrased it.

10:22:32 9 Q. Now, Plaintiffs have tried to -- we heard in your

10:22:38 10 direct examination have tried to approach various companies

10:22:42 11 about taking a license, right?

10:22:43 12 A. Yes.

10:22:44 13 Q. Including Walmart, correct?

10:22:51 14 A. Yes.

10:22:51 15 Q. There is no Walmart license, is there?

10:22:56 16 A. No.

10:22:57 17 Q. You approached Caterpillar, correct?

10:23:00 18 A. Yes.

10:23:04 19 Q. There is no Caterpillar license, right?

10:23:08 20 A. Correct.

10:23:11 21 Q. You approached Amazon, correct?

10:23:18 22 A. Yes.

10:23:18 23 Q. There is no Amazon license, is there?

10:23:21 24 A. No.

10:23:23 25 Q. You approached Sony, correct?

10:23:27 1 A. Yes.

10:23:31 2 Q. There is no Sony license, is there?

10:23:34 3 A. No.

10:23:34 4 Q. You approached Daimler, the car company, correct?

10:23:40 5 A. Yes.

10:23:40 6 Q. There is no Daimler license, is there?

10:23:45 7 A. No.

10:23:46 8 Q. You approached Phillips, correct?

10:23:48 9 A. I don't recall if we approached Phillips.

10:23:59 10 Q. You approached Polaroid, correct?

10:24:07 11 A. Yes.

10:24:08 12 Q. There is no Polaroid license, is there?

10:24:10 13 A. No.

10:24:11 14 Q. You approached Hyundai, the car company, correct?

10:24:16 15 A. Yes.

10:24:18 16 Q. There is no Hyundai license, is there?

10:24:24 17 A. No.

10:24:25 18 Q. You approached Honda, correct?

10:24:32 19 A. Yes.

10:24:33 20 Q. There is no Honda license, is there?

10:24:35 21 A. No.

10:24:40 22 Q. You approached Hewlett-Packard, correct?

10:24:42 23 A. Yes.

10:24:46 24 Q. There is no Hewlett-Packard license, is there?

10:24:48 25 A. No.

10:24:49 1 Q. You approached Best Buy, correct?

10:24:51 2 A. Yes.

10:24:55 3 Q. There is no Best Buy license, is there?

10:24:58 4 A. No.

10:24:59 5 Q. So any suggestion that you approach companies, seek a

10:25:03 6 license, and they take it automatically, that's just not

10:25:06 7 true, is it?

10:25:18 8 A. I can't agree with that a hundred percent.

10:25:20 9 Q. Sir, the vast majority of the companies that you've

10:25:23 10 approached for a license haven't taken one, have they?

10:25:26 11 A. No, not yet.

10:25:39 12 Q. Not yet, right?

10:25:41 13 A. No, they haven't.

10:25:45 14 Q. Be very clear on this, the vast majority of the

10:25:49 15 companies that you've approached for a license have not

10:25:52 16 taken one, correct?

10:25:52 17 A. There's more of a story to that question -- to help

10:26:00 18 answer that question.

10:26:05 19 Q. The vast majority of the companies that you've

10:26:08 20 approached for a license have not taken a license, correct?

10:26:16 21 A. I wouldn't characterize it that way.

10:26:19 22 Q. Well, there is no license, we can agree on that?

10:26:22 23 THE COURT: All right. Let's -- let's stop this.

10:26:24 24 We're going to ask a straight question, and we're going to

10:26:27 25 get an answer, yes, no, or I don't know. Okay? Not I

10:26:32 1 wouldn't characterize it that way. We're not going to go
10:26:35 2 back and forth 16 times about this.

10:26:37 3 Ask the question again, Mr. Mueller.

10:26:40 4 MR. MUELLER: Thank you, Your Honor.

10:26:41 5 Q. (By Mr. Mueller) The vast majority of the companies
10:26:43 6 that you've approached for a license to your portfolio,
10:26:48 7 including the five patents in this case, have not taken a
10:26:52 8 license, correct?

10:26:52 9 A. Yes.

10:26:59 10 MR. MUELLER: Let's please put up PDX-1.12.

10:27:04 11 Q. (By Mr. Mueller) Sir, did you see this slide in the
10:27:08 12 opening statement yesterday from the Plaintiffs?

10:27:10 13 A. Yes, I did.

10:27:14 14 Q. And these are the five companies that did take a
10:27:17 15 license, right?

10:27:17 16 A. Yes.

10:27:22 17 Q. Now, it wasn't just to the five patents in this case,
10:27:25 18 correct?

10:27:25 19 A. Correct.

10:27:28 20 Q. It was to the thousands of patents in the portfolio,
10:27:32 21 right?

10:27:32 22 A. Yes.

10:27:41 23 Q. May we go through these companies one-by-one?

10:27:44 24 A. Yes.

10:27:45 25 Q. Huawei is limited in its ability to sell in the U.S.

10:27:50 1 under federal law, correct -- or federal rulings, correct?

10:27:54 2 A. Yes, I understand that there's restrictions.

10:28:01 3 Q. -- because it's been deemed a security threat to the

10:28:04 4 U.S., correct?

10:28:05 5 A. Yes, I understand that to be as you described.

10:28:15 6 Q. Not a lot of Huawei phones being sold in the U.S. right

10:28:18 7 now, correct?

10:28:19 8 A. Correct.

10:28:21 9 Q. ZTE also does not sell very many phones in the U.S.,

10:28:25 10 correct?

10:28:25 11 A. Correct.

10:28:29 12 Q. Its sales are focused in Asia, correct?

10:28:36 13 A. That is incorrect.

10:28:38 14 Q. Its sales are focused overseas, we can agree on that?

10:28:43 15 A. Yes.

10:28:43 16 Q. BlackBerry -- the original BlackBerry went bankrupt,

10:28:50 17 correct?

10:28:50 18 A. They're -- yes. I believe they went bankrupt. I don't

10:28:58 19 specifically recall.

10:28:59 20 Q. HTC also has suffered mightily with sales perspective,

10:29:12 21 correct?

10:29:12 22 A. Yes.

10:29:12 23 Q. And Kyocera sells in small volumes, as well, right?

10:29:18 24 A. Ky -- Kyocera -- Kyocera sells devices in the -- I

10:29:35 25 wouldn't characterize it as small volumes. I wouldn't -- I

10:29:40 1 can't agree with that.

10:29:41 2 Q. Kyocera is not one of the major phone suppliers in the

10:29:44 3 U.S., correct?

10:29:45 4 A. Correct.

10:29:45 5 Q. And that's the list, right, sir?

10:29:48 6 A. Yes, that's the list on this chart.

10:29:54 7 Q. So we have two companies, HTC and BlackBerry, that

10:29:57 8 either went bankrupt or are suffering mightily, correct?

10:30:01 9 A. I see -- I see that.

10:30:09 10 Q. We have Huawei and ZTE, which are barely allowed to

10:30:13 11 sell in the U.S., in the case of Huawei, and barely sell in

10:30:23 12 the U.S. in the case of ZTE, right?

10:30:25 13 A. That's correct.

10:30:25 14 Q. And we have Kyocera, correct?

10:30:27 15 A. Yes.

10:30:29 16 MR. MUELLER: So let's go back to Page 216,

10:30:32 17 Lines 23 to 217, Line 6, from the opening statement

10:30:48 18 yesterday.

10:30:49 19 Q. (By Mr. Mueller) Again, Mr. Sheasby made the

10:30:51 20 representation: Licensed by essentially every other major

10:30:55 21 LTE phone manufacturer in the United States.

10:30:59 22 Sir, there are no licensees beyond the five that

10:31:01 23 we just looked at, correct?

10:31:02 24 A. That's incorrect.

10:31:16 25 Q. Sir, we just went through the five companies that are

10:31:19 1 licensed to these patents, correct?

10:31:22 2 A. Yes.

10:31:22 3 Q. That's it, right?

10:31:24 4 A. No. It's -- it's not.

10:31:26 5 Q. Sir, there are no other licenses, correct? We just

10:31:32 6 went through the list.

10:31:35 7 A. Well, that was -- that was the list that you presented.

10:31:38 8 There's other licenses.

10:31:40 9 MR. MUELLER: Can we go back to the -- the slide,

10:31:43 10 please? This is PDX-1.12.

10:31:46 11 Q. (By Mr. Mueller) Sir, you understand this was

10:31:48 12 Plaintiffs' slide?

10:31:49 13 A. Yes.

10:31:52 14 Q. You understand these are the licenses that the

10:31:54 15 Plaintiff talked about in the opening statement?

10:31:56 16 A. Yes.

10:32:00 17 Q. It's not my slide, right?

10:32:04 18 A. No.

10:32:04 19 Q. Do you think every other major LTE phone manufacturer

10:32:08 20 is listed on this slide?

10:32:09 21 A. No.

10:32:14 22 Q. Now, you used to work at Google, correct?

10:32:20 23 A. Yes.

10:32:20 24 Q. Google makes phones?

10:32:23 25 A. Yes, they do.

10:32:25 1 Q. There is no Google license, is there?

10:32:27 2 A. No.

10:32:27 3 Q. Now, Google makes LTE phones, correct?

10:32:30 4 A. Yes.

10:32:32 5 Q. And they have for some time?

10:32:34 6 A. Yes.

10:32:39 7 Q. And you know those phones well because you worked at

10:32:42 8 Google, right?

10:32:42 9 A. Yes, I did work at Google.

10:32:45 10 Q. And there is no Google license to these patents,

10:32:49 11 correct?

10:32:49 12 A. Correct.

10:32:57 13 Q. Motorola makes phones, right?

10:33:02 14 A. Yes.

10:33:02 15 Q. And you worked at Motorola for some -- some time, as

10:33:05 16 well?

10:33:06 17 A. Yes.

10:33:07 18 Q. Motorola makes LTE phones, right?

10:33:09 19 A. Yes.

10:33:13 20 Q. In fact, fair to say Motorola was one of the earliest

10:33:16 21 suppliers of LTE phones to the market?

10:33:18 22 A. Yes.

10:33:23 23 Q. There is no Motorola license to these patents, correct?

10:33:26 24 A. That's incorrect.

10:33:45 25 Q. Incorrect. You're saying there is a Motorola license

10:33:48 1 to these patents?

10:33:49 2 A. To some of the patents.

10:33:57 3 Q. To the five patents in this case?

10:33:59 4 A. Yes, I believe Motorola has a license to one of the

10:34:16 5 patents.

10:34:16 6 Q. To one; is that right, sir?

10:34:19 7 A. Yes.

10:34:21 8 Q. And that's not something you discussed with the jury on

10:34:24 9 your direct examination, correct?

10:34:26 10 A. No.

10:34:29 11 Q. You didn't mention anything about a Motorola license,

10:34:31 12 did you?

10:34:32 13 A. No.

10:34:37 14 Q. And whatever you're referring to now doesn't cover four

10:34:43 15 of the patents in the case; do I have that right?

10:34:47 16 A. Correct.

10:34:54 17 Q. Sir, fair to say a very significant number of major

10:34:58 18 phone manufacturers do not -- have not taken a license to

10:35:03 19 these patents, correct?

10:35:03 20 A. That is correct.

10:35:13 21 Q. And any suggestion that the industry has recognized

10:35:17 22 that you have to take a license to these patents is not

10:35:20 23 true, is it?

10:35:21 24 A. I wouldn't agree with that.

10:35:29 25 Q. Last few questions. Mr. Sheasby showed you a letter

10:35:33 1 that your company sent to Apple in January 2017.

10:35:38 2 MR. MUELLER: If you'd please pull up PDX-548a

10:35:46 3 [sic].

10:35:47 4 Q. (By Mr. Mueller) This is the letter, right, sir?

10:35:48 5 A. Yes.

10:35:51 6 Q. This was sent in January of 2017, correct?

10:35:58 7 A. Yes.

10:35:59 8 Q. And, sir, this particular letter does not mention by

10:36:03 9 number any of the five patents in this case, does it?

10:36:06 10 A. No, it does not.

10:36:12 11 Q. Now --

10:36:16 12 MR. MUELLER: We can take that down.

10:36:17 13 Q. (By Mr. Mueller) When someone sends a letter like

10:36:19 14 that, in your experience, that doesn't mean they're

10:36:22 15 automatically entitled to be paid, correct?

10:36:24 16 A. No, I wouldn't -- no.

10:36:43 17 Q. You don't just get to send someone a letter and say,

10:36:49 18 pay me. That's not right, is it?

10:36:53 19 A. Can you repeat the question?

10:37:06 20 Q. Sir, someone who owns patents can't just send a letter

10:37:10 21 and say, pay me, right?

10:37:12 22 A. Yes, they can.

10:37:16 23 Q. Well, they can say it. That doesn't mean the person

10:37:19 24 who receives the letter has to do it, correct?

10:37:21 25 A. They may -- well, they don't have -- have to at that

10:37:33 1 instant, no.

10:37:34 2 Q. And you talked with Mr. Sheasby about how patents are
10:37:37 3 like property lines, right?

10:37:38 4 A. Not property lines. We talked about property.

10:37:45 5 Q. Property --

10:37:46 6 MR. MUELLER: Your Honor, may I approach the
10:37:57 7 easel?

10:37:58 8 THE COURT: You may.

10:37:59 9 Q. (By Mr. Mueller) So let's say I have a property with a
10:38:01 10 boundary like this. Do you see this, sir?

10:38:03 11 A. Yes.

10:38:04 12 Q. And I have neighbors on either side, one neighbor here
10:38:09 13 and one neighbor here. Do you see that, sir?

10:38:11 14 A. Yes.

10:38:11 15 Q. And you were here for the -- the voir dire yesterday?

10:38:13 16 A. For the what, I'm sorry?

10:38:17 17 Q. I'm sorry, the jury selection process.

10:38:19 18 A. I was not here in the morning.

10:38:20 19 Q. Okay. Fair enough.

10:38:22 20 A. Yes.

10:38:22 21 Q. But you see here I've drawn Neighbor 1, Neighbor 2. Do
10:38:28 22 you see that, sir?

10:38:29 23 A. Yes.

10:38:29 24 Q. Now, as a matter of property, I don't get to move my
10:38:32 25 property line over here into my neighbor's yard, do I?

10:38:35 1 A. No.

10:38:40 2 Q. Now, for patents, the property line is defined by the

10:38:43 3 claims in the patents, correct?

10:38:45 4 A. You can characterize it that way, yes.

10:38:55 5 Q. And were you here when I --- I tried to walk with the

10:38:58 6 jury through one example of a claim during my opening

10:39:01 7 statement?

10:39:01 8 A. Yes, I was here.

10:39:02 9 Q. That's an example of the property line for a patent,

10:39:05 10 the claim language, correct?

10:39:06 11 A. The way you -- if you're characterizing it that way.

10:39:16 12 Q. You've been working on patent issues for about 20-plus

10:39:19 13 years, right?

10:39:21 14 A. Yes.

10:39:21 15 Q. And you know that you don't get to move the lines in

10:39:24 16 your patents after the patent is issued?

10:39:31 17 A. The claims -- correct, the claims are the claims.

10:39:34 18 Q. And you understand you've got to prove your case

10:39:37 19 claim-by-claim before the ladies and gentlemen of the jury?

10:39:39 20 A. I don't know if I can answer -- I'm not a legal expert.

10:39:49 21 So I just want to -- you know, I know we have the claims

10:39:53 22 and how we're trying to apply -- and we're showing that

10:39:56 23 we're applying the claims to the infringing technologies.

10:39:58 24 Q. Last question. In your direct examination by

10:40:02 25 Mr. Sheasby, you were not shown a single claim of a single

10:40:05 1 patent, correct?

10:40:06 2 A. Correct.

10:40:13 3 MR. MUELLER: Nothing further, Your Honor.

10:40:14 4 THE COURT: You pass the witness? Do you pass the

10:40:16 5 witness, Mr. Mueller?

10:40:16 6 MR. MUELLER: I'm sorry, Your Honor. I pass the

10:40:18 7 witness. I pass the witness.

10:40:20 8 THE COURT: All right. Before we proceed with

10:40:23 9 Plaintiffs' redirect examination of this witness, ladies

10:40:25 10 and gentlemen, we're going to take a very short recess.

10:40:28 11 I'll ask you just to leave your juror notebooks closed in

10:40:32 12 your chairs.

10:40:33 13 Remember, don't discuss this case with yourselves

10:40:35 14 or anyone else, follow all my instructions, and we'll have

10:40:37 15 you back in here shortly to continue with the Plaintiffs'

10:40:40 16 redirect of Mr. Blasius.

10:40:42 17 The jury is excused for recess at this time.

10:40:46 18 COURT SECURITY OFFICER: All rise.

10:40:48 19 (Jury out.)

10:41:02 20 THE COURT: The Court stands in recess.

10:41:06 21 (Recess.)

11:03:54 22 (Jury out.)

11:03:54 23 COURT SECURITY OFFICER: All rise.

11:03:56 24 THE COURT: Be seated, please.

11:03:57 25 Let's bring in the jury, please, Mr. Elliott.

11:04:04 1 COURT SECURITY OFFICER: All rise.

11:04:32 2 (Jury in.)

11:04:33 3 THE COURT: Please be seated.

11:04:34 4 All right. Plaintiff, you may proceed with

11:04:36 5 redirect of the witness.

11:04:39 6 MR. SHEASBY: Thank you, Your Honor.

11:04:39 7 REDIRECT EXAMINATION

11:04:39 8 BY MR. SHEASBY:

11:04:39 9 Q. Good morning, Mr. Blasius.

11:04:42 10 A. Good morning.

11:04:44 11 MR. SHEASBY: Mr. Huynh, can we have DDX-5?

11:04:49 12 Q. (By Mr. Sheasby) This slide was shown to you by

11:04:55 13 Mr. Mueller, fair?

11:04:56 14 A. Yes.

11:04:57 15 Q. And I think Mr. Mueller actually used the word

11:05:01 16 "copying" in trying to discuss this slide, suggesting that

11:05:06 17 Samsung copied Apple, correct?

11:05:08 18 A. Yes.

11:05:08 19 Q. And he was talking about the shape of the phone, fair?

11:05:12 20 A. Yes.

11:05:13 21 Q. Was he also talking about the icons on the phone?

11:05:18 22 A. Yes, he was.

11:05:19 23 Q. Does this case have anything to do with phone designs

11:05:22 24 or icons?

11:05:24 25 A. No, not at all.

11:05:26 1 Q. Do you know why Mr. Mueller was talking to the jury
11:05:31 2 about phone designs and icons?

11:05:33 3 A. No.

11:05:36 4 Q. Now, I don't know if you -- if you look at the bottom
11:05:41 5 right-hand corner, it's the Samsung Galaxy S. You see that
11:05:47 6 from February 2011?

11:05:48 7 A. Yes.

11:05:48 8 Q. And he accused Samsung of copying Apple based on that,
11:05:53 9 fair?

11:05:53 10 MR. MUELLER: I'm going to object to the leading,
11:05:57 11 Your Honor.

11:05:57 12 THE COURT: Restate your question, Mr. Sheasby.

11:06:00 13 Q. (By Mr. Sheasby) Did Mr. Mueller accuse Samsung of
11:06:07 14 copying Apple based on that phone?

11:06:09 15 A. Yes, he did.

11:06:10 16 Q. What does the word "4G" in that title mean,
11:06:13 17 Mr. Blasius?

11:06:14 18 A. Fourth generation or also known as LTE.

11:06:18 19 Q. So the phone on the right-hand corner in Apple's
11:06:23 20 demonstrative is an LTE phone, correct?

11:06:25 21 A. Yes.

11:06:29 22 Q. That's from February 2011?

11:06:31 23 MR. MUELLER: Again, I'm going to object to the
11:06:32 24 leading.

11:06:34 25 THE COURT: All right. I'll sustain the leading.

11:06:35 1 Q. (By Mr. Sheasby) What date is for that Galaxy S 4G/LTE
11:06:40 2 phone?

11:06:40 3 A. February 2011.

11:06:43 4 Q. When did Apple produce -- when did Apple produce its
11:06:54 5 first LTE phone?

11:06:55 6 A. Not until 2012.

11:06:57 7 Q. And what type of cellular communication was used in
11:07:01 8 that Apple 2007 phone?

11:07:04 9 A. That was 2G GSM technology.

11:07:06 10 Q. On what date did Apple introduce 4G?

11:07:10 11 A. Apple introduced 4G in 2012.

11:07:16 12 Q. Samsung -- based on this slide, what date did Samsung
11:07:21 13 use LG?

11:07:23 14 A. For this phone, it was February 2011.

11:07:25 15 Q. And do you have an understanding of -- of -- of exactly
11:07:28 16 how far in advance Samsung was ahead of Apple in LTE
11:07:36 17 technology?

11:07:36 18 A. Almost two years.

11:07:38 19 Q. And this is -- and what was the purpose that
11:07:40 20 Mr. Mueller used this slide to show, do you know, to the
11:07:45 21 jury?

11:07:45 22 A. It was to show that there was a design change.

11:07:49 23 Q. Does this -- in your understanding of the case, does
11:07:51 24 this relate in anyway whatsoever to the case?

11:07:53 25 MR. MUELLER: Object to the leading, Your Honor.

11:07:54 1 THE COURT: Sustained as to leading.

11:08:06 2 Restate the question, counsel.

11:08:07 3 Q. (By Mr. Sheasby) There is something on this -- do you

11:08:09 4 think that -- let me withdraw the question and let me ask

11:08:10 5 it this way.

11:08:10 6 THE COURT: I want you to ask it in a non-leading

11:08:12 7 form. This is direct examination.

11:08:14 8 Q. (By Mr. Sheasby) Did Mr. Mueller reference anything

11:08:17 9 about the 4G capacity of the phone he showed in this

11:08:20 10 exhibit?

11:08:21 11 A. No, he did not.

11:08:24 12 Q. Do you have an understanding as to why Mr. Mueller

11:08:33 13 chose not to disclose that to the jury?

11:08:35 14 A. Because, in my opinion, I believe he was trying to

11:08:42 15 reference a copying of Samsung versus Apple because of a

11:08:47 16 design copy, not because of Samsung's use -- or Apple's use

11:08:52 17 of the LTE technology.

11:08:58 18 MR. SHEASBY: Let's go to PDX-1.12.

11:09:03 19 Q. (By Mr. Sheasby) This is a slide Mr. Mueller showed

11:09:09 20 you?

11:09:10 21 A. Yes.

11:09:10 22 Q. Does Samsung have a license to all the patents-in-suit?

11:09:15 23 A. Yes, they do.

11:09:16 24 Q. Does Panasonic have a license to all the

11:09:19 25 patents-in-suit?

11:09:19 1 A. Yes, they do.

11:09:23 2 Q. Does LG have a license to all the patents-in-suit?

11:09:28 3 A. Yes, they do.

11:09:29 4 Q. Does Huawei have a license to all the patents-in-suit?

11:09:31 5 A. Yes, they do.

11:09:33 6 Q. Collectively, what portion of the worldwide cellular

11:09:37 7 market do those four licensees represent?

11:09:39 8 A. Probably over -- for those four licensees?

11:09:46 9 Q. Yes, sir.

11:09:47 10 A. Well, over -- the majority share, I would think.

11:09:50 11 Q. So, as a matter of volume, what portion of the industry

11:09:55 12 is licensed to PanOptis's patents?

11:10:04 13 A. As a matter of volume?

11:10:05 14 Q. Yes.

11:10:06 15 A. Likely over 600 million devices per year would be my

11:10:14 16 best estimate.

11:10:15 17 Q. And as a percentage, what would that be?

11:10:18 18 A. I would -- I would estimate it to be about 60 percent.

11:10:25 19 Q. So your estimate, about 60 percent of the worldwide

11:10:30 20 cellular market is licensed to PanOptis's patents?

11:10:34 21 A. Yes. May even be a little bit higher. I don't have

11:10:41 22 those numbers in front of me. But it's the majority --

11:10:43 23 majority of the other players in the market.

11:10:47 24 Q. Now, do you know who manufactures Google's phones for

11:10:53 25 them?

11:10:53 1 A. HTC did the historical manufacturing of it.

11:10:55 2 Q. So Mr. Mueller suggested that Google wasn't licensed to

11:11:02 3 the patents-in-suit, fair?

11:11:03 4 A. He -- he did suggest that, yes.

11:11:04 5 Q. HTC historically has manufactured Google phones; is

11:11:10 6 that fair?

11:11:10 7 MR. MUELLER: Object to the leading, Your Honor.

11:11:12 8 Q. (By Mr. Sheasby) Who has historically manufactured

11:11:14 9 Google phones?

11:11:15 10 THE COURT: Just a minute. I know these leading

11:11:18 11 objections are tiresome, but if he's going to raise the

11:11:22 12 objection, which he has a right to do, you're going to have

11:11:25 13 to let me rule on it before you ask another question.

11:11:28 14 MR. SHEASBY: I understand, Your Honor.

11:11:29 15 THE COURT: Let's proceed in a non-leading

11:11:31 16 fashion.

11:11:32 17 Q. (By Mr. Sheasby) Who makes Google phones,

11:11:34 18 historically?

11:11:34 19 A. HTC was one of their major providers.

11:11:38 20 Q. Does -- what is the status of HTC as a licensee to

11:11:45 21 PanOptis's patents?

11:11:48 22 A. They held the license for a long period of time to --

11:11:56 23 to our patents.

11:11:57 24 Q. Now, Mr. Mueller referenced Siemens as someone who

11:12:02 25 doesn't have a license. Do you have a recollection of

11:12:04 1 that?

11:12:04 2 A. I do.

11:12:04 3 Q. Do you have an understanding of whether Siemens sells
11:12:12 4 4G/LTE phones?

11:12:13 5 A. To my understanding, they do not. And they have not
11:12:15 6 participated in the market for a very long time.

11:12:18 7 Q. Do you have any idea why Mr. Mueller would be talking
11:12:21 8 about Siemens with this jury?

11:12:24 9 A. From my perspective, he was trying to identify a number
11:12:28 10 of companies that were on an Apple internal document to try
11:12:32 11 to show that we didn't license a number of companies that
11:12:35 12 had existed in the marketplace, but these were a lot of
11:12:40 13 companies that don't participate in the cellular industry,
11:12:43 14 like Siemens, like -- there was another computer company on
11:12:51 15 there. There were a number of other companies on this list
11:12:55 16 that do not produce devices in the marketplace.

11:12:58 17 Q. Does Technicolor produce an LTE phone?

11:13:01 18 A. No, it does not.

11:13:02 19 Q. Does Caterpillar produce an LTE phone?

11:13:05 20 A. They don't produce an LTE phone, no. They -- they
11:13:11 21 don't produce it.

11:13:14 22 MR. SHEASBY: Now, let's go to PDX-13.

11:13:17 23 Q. (By Mr. Sheasby) You were here for the opening; is
11:13:19 24 that correct?

11:13:19 25 A. Yes, I was.

11:13:21 1 Q. Do you have background knowledge regarding the history
11:13:26 2 of what's depicted on PDX-13?

11:13:29 3 A. Yes.

11:13:29 4 Q. Is PDX-13 factually accurate?

11:13:35 5 A. Yes, it is.

11:13:37 6 Q. Now, you'll see that Panasonic and Samsung and LG --

11:13:41 7 well, let me ask you this:

11:13:42 8 Where on this diagram is Apple's first iPhone?

11:13:48 9 It's right about there; is that fair?

11:13:50 10 A. In, yes, late 2007.

11:13:53 11 Q. And what was that iPhone?

11:13:55 12 A. That was a 2G second generation iPhone.

11:14:01 13 Q. And during that time period, do you have an
11:14:05 14 understanding of what Samsung, Panasonic, and LG were
11:14:08 15 building?

11:14:09 16 A. From a device perspective?

11:14:12 17 Q. From a network perspective?

11:14:14 18 A. From a network perspective, they were already invested
11:14:20 19 in building the 4G/LTE network.

11:14:23 20 Q. Do you have familiarity of whether Apple had any
11:14:25 21 meaningful role in 4G construction?

11:14:27 22 A. No, it did not.

11:14:29 23 Q. Now, Mr. Mueller talked about whether these patents had
11:14:39 24 any particular focus or attention paid to them. Do you
11:14:43 25 remember that line of conversation?

11:14:45 1 A. Yes.

11:14:49 2 Q. Now, in your direct examination, you testified that

11:14:51 3 there were third-party patent -- third-party companies who

11:14:55 4 had ranked the PanOptis patents?

11:14:57 5 MR. MUELLER: Objection, leading.

11:14:58 6 MR. SHEASBY: I'll withdraw.

11:15:01 7 Q. (By Mr. Sheasby) In your testimony, did you discuss

11:15:03 8 third-party rankings?

11:15:04 9 A. Yes, I did.

11:15:05 10 Q. Do you have an understanding of whether there are any

11:15:09 11 third-party rankings of PanOptis's patents?

11:15:12 12 A. Yes, I understand that Apple has -- uses a third-party

11:15:17 13 ranking.

11:15:18 14 Q. Putting -- so I want to ask a specific question.

11:15:21 15 In your business, do you have personal familiar --

11:15:24 16 familiarity with a database known as Innography?

11:15:27 17 A. Yes.

11:15:28 18 Q. Have PanOptis employees been trained on Innography?

11:15:33 19 A. Yes, they have.

11:15:35 20 Q. Have you received training from those PanOptis

11:15:39 21 employees about Innography?

11:15:39 22 A. Yes.

11:15:40 23 Q. Have you used Innography?

11:15:41 24 A. Yes, I have.

11:15:42 25 Q. You were here in -- were you here in opening when there

11:15:46 1 was a discussion of Apple's use of Innography?

11:15:50 2 A. Yes.

11:15:51 3 Q. Do -- does the Innography database have scoring for the

11:15:58 4 patents that are at issue in this case?

11:16:00 5 A. Yes, it does.

11:16:07 6 MR. SHEASBY: So let's pull up PDX-2551 [sic].

11:16:21 7 Q. (By Mr. Sheasby) Do you recognize PDX-2551 [sic],

11:16:25 8 Mr. Blasius?

11:16:25 9 A. Yes.

11:16:26 10 Q. What is it?

11:16:26 11 A. This is the '332 patent.

11:16:28 12 Q. Where is the source of this discussion of the '332

11:16:36 13 patent?

11:16:36 14 A. I'm -- I'm sorry?

11:16:37 15 Q. Is this an Innography document, sir?

11:16:40 16 A. Yes. This -- this?

11:16:42 17 Q. Yes, sir.

11:16:43 18 A. Can you expand it, please? I just want to -- yes, it's

11:16:48 19 an Innography document.

11:16:49 20 Q. And on the left-hand side, you see where it says ETSI

11:16:52 21 LTE; do you see that language, sir?

11:16:55 22 A. Yes.

11:16:55 23 Q. And if you scroll down, do you see where it says,

11:17:05 24 current assignee, Optis Cellular and original assignee LG

11:17:11 25 Electronics?

11:17:11 1 A. Yes, I see that.

11:17:12 2 MR. SHEASBY: And if you turn to Page 2 of this
11:17:16 3 document, and let's expand, Mr. Huynh, the strength score.

11:17:24 4 Q. (By Mr. Sheasby) Do you see where this -- what is that
11:17:30 5 passage in the '332 patent -- '332 Innography database
11:17:35 6 describing?

11:17:35 7 A. It's describing that it's given a strength rating in
11:17:41 8 the 90th to 100 percentile of all of the patents in their
11:17:47 9 database.

11:17:47 10 Q. This is a industry database prepared by third parties.
11:17:52 11 Do you have an understanding as to whether that's the case?

11:17:54 12 A. Yes, that's my understanding.

11:17:56 13 Q. You heard from opening that this database is something
11:18:00 14 that Apple uses?

11:18:01 15 MR. MUELLER: Objection, Your Honor. Lack of
11:18:02 16 foundation.

11:18:03 17 THE COURT: Overruled.

11:18:07 18 A. Yes, that's -- I heard that in the opening.

11:18:09 19 Q. (By Mr. Sheasby) So I want to -- Mr. Mueller was
11:18:12 20 suggesting that no one had pointed out the importance of
11:18:17 21 the five patents-in-suit. Is that a fair characterization
11:18:24 22 of his testimony -- of his examination of you?

11:18:27 23 MR. MUELLER: Objection, leading.

11:18:29 24 THE COURT: Sustained.

11:18:29 25 Q. (By Mr. Sheasby) Did Mr. Mueller make any type of

11:18:31 1 suggestion whether someone had noted the importance of
11:18:35 2 these patents?

11:18:36 3 A. I believe he did, yes.

11:18:38 4 Q. And what was the suggestion that he made?

11:18:39 5 A. I don't recall the specific language, but I was
11:18:44 6 thinking he was -- my recollection was that he was
11:18:47 7 suggesting that nobody had identified it within the
11:18:51 8 agreement.

11:18:52 9 Q. Has --

11:18:53 10 A. And -- and that's how I -- I believe I inter -- that's
11:18:59 11 how I believe I answered.

11:19:01 12 Q. Are each of the -- do you know whether each of the five
11:19:05 13 patents-in-suit are identified in the Innography database
11:19:08 14 and scored in the Innography database?

11:19:10 15 A. Yes, they are.

11:19:12 16 MR. SHEASBY: So let's turn up 252, PX-252 [sic].
11:19:20 17 This is for the '833 patent.

11:19:22 18 Q. (By Mr. Sheasby) Do you see that, sir?

11:19:24 19 A. Yes.

11:19:24 20 Q. And that's once again -- is -- is that in the
11:19:27 21 Innography database?

11:19:28 22 A. It is.

11:19:28 23 Q. And is it given a score in the Innography database?

11:19:30 24 A. Yes, it is.

11:19:31 25 MR. SHEASBY: Let's pull up PX-2553.

11:19:36 1 Q. (By Mr. Sheasby) What is 2523?

11:19:46 2 A. This is the '284 patent.

11:19:49 3 Q. Do you have an understanding as to whether the '284

11:19:52 4 patent is in the Innography database?

11:19:53 5 A. Yes, it is.

11:19:57 6 Q. Do you have an understanding of what cellular

11:20:00 7 communication standard it's referenced under?

11:20:02 8 A. Yes, it's LTE.

11:20:03 9 Q. Is there a score for the '284 patent in the Innography

11:20:09 10 database?

11:20:09 11 A. Yes.

11:20:11 12 MR. SHEASBY: Let's go to PX-2554.

11:20:15 13 Q. (By Mr. Sheasby) What is this, Mr. Blasius?

11:20:21 14 A. This is Innography's printout or reference to the

11:20:29 15 555 -- excuse me, the '557 patent.

11:20:30 16 Q. What standard does this Innography list the patent as

11:20:34 17 essential to?

11:20:34 18 A. LTE.

11:20:36 19 Q. Does this have a score for the '557 patent?

11:20:41 20 A. Yes, it does.

11:20:43 21 MR. SHEASBY: Let's go to PX-2555.

11:20:49 22 Q. (By Mr. Sheasby) What is this document?

11:21:00 23 A. This is the '774 patent from the Innography database.

11:21:02 24 Q. What does it list the '774 patent as related to?

11:21:08 25 A. LTE.

11:21:08 1 Q. Does it have a score for the '774 patent, sir?

11:21:12 2 A. Yes, it -- it does.

11:21:14 3 Q. Did Mr. Mueller show you any of these scores of the

11:21:21 4 Innography database in your direct examination -- in your

11:21:23 5 cross-examination?

11:21:23 6 A. No, he did not.

11:21:25 7 Q. You were here in opening; is that correct, sir?

11:21:37 8 A. Yes, I was.

11:21:37 9 Q. Do you have an understanding of who uses the Innography

11:21:39 10 database?

11:21:39 11 A. Yes, I understand that Apple uses it.

11:21:43 12 Q. Apple's attorneys use it; is that your understanding?

11:21:48 13 MR. MUELLER: Your Honor, lack of foundation.

11:21:51 14 Leading, as well.

11:21:55 15 MR. SHEASBY: I withdraw the question.

11:21:56 16 THE COURT: All right. Ask your next question

11:21:58 17 then.

11:21:58 18 Q. (By Mr. Sheasby) Now, Mr. Mueller suggested -- did

11:22:09 19 Mr. Mueller make any suggestions regarding the amount of

11:22:12 20 work you put into trying to understand the patents-in-suit?

11:22:15 21 A. Yes, he did.

11:22:16 22 Q. About how many hours have you spent talking with

11:22:20 23 experts and trying to understand the patents-in-suit?

11:22:29 24 A. In total, I would say it's probably been about 24 to 30

11:22:36 25 hours in total.

11:22:38 1 Q. Sitting with experts --

11:22:39 2 A. Yes.

11:22:39 3 Q. -- and trying to understand?

11:22:44 4 MR. SHEASBY: Well, let's turn back to PX-2551.

11:22:48 5 So let's blow this up.

11:22:50 6 Q. (By Mr. Sheasby) Do you know -- do you have an
11:22:53 7 understanding of what the technical importance of the '332
11:22:56 8 patent is, sir?

11:22:58 9 MR. MUELLER: Your Honor, I'm going to object,
11:23:00 10 lack of foundation. He hasn't read it.

11:23:05 11 MR. SHEASBY: He's just testified he spent 24
11:23:08 12 hours sitting with experts to try to understand the patent,
11:23:11 13 and Mr. Mueller spent a lot of time on cross-examination
11:23:14 14 trying to suggest that he doesn't know anything about these
11:23:17 15 patents. And I'm trying to establish that that's not
11:23:20 16 accurate.

11:23:20 17 THE COURT: That's true. But he's also testified
11:23:28 18 he didn't read the patent.

11:23:31 19 MR. SHEASBY: He testified he didn't read all of
11:23:33 20 them -- all of it, Your Honor.

11:23:35 21 THE COURT: Re-lay your foundation, Mr. Sheasby.

11:23:39 22 Q. (By Mr. Sheasby) Mr. Blasius, did you spend time
11:23:43 23 sitting with the independent experts in this case to try to
11:23:45 24 understand the technology in the patents-in-suit?

11:23:47 25 A. Yes, I did.

11:23:53 1 Q. As part of that, did they walk you through the critical
11:23:56 2 portions of the patents-in-suit?

11:23:57 3 A. Yes.

11:23:58 4 Q. Do you have personal knowledge of what you believe are
11:24:01 5 the importance -- the technical importance of the
11:24:05 6 patents-in-suit?

11:24:06 7 A. Yes.

11:24:06 8 Q. What's the technical importance of the '332 patent?

11:24:08 9 A. From -- from a technical standpoint, it improves the
11:24:15 10 speed by which the handset receives information from the
11:24:18 11 network and -- and results in a data savings on the LTE
11:24:21 12 network.

11:24:22 13 MR. SHEASBY: Let's go to 2552 -- Exhibit 2552.

11:24:28 14 Let's pull that up.

11:24:29 15 Q. (By Mr. Sheasby) By working with the experts, did you
11:24:32 16 gain an understanding of the importance of the '833 patent?

11:24:37 17 A. Yes, I did.

11:24:39 18 Q. What's your understanding of the importance?

11:24:43 19 A. It basically optimizes the way reference signals or
11:24:47 20 certain signals are transmitted between the handset device
11:24:51 21 and the base station.

11:24:52 22 Q. Does it result in a benefit?

11:24:53 23 A. Yes, it results in a benefit. And I -- my recollection
11:24:57 24 was it was about a 10 percent increase in data speeds
11:25:01 25 across the network.

11:25:02 1 MR. SHEASBY: Let's go to 2554.

11:25:05 2 Q. (By Mr. Sheasby) Did you sit with experts to

11:25:14 3 understand the importance of the '557 patent?

11:25:15 4 A. Yes, I did.

11:25:18 5 Q. What was your understanding of the '557 patent's

11:25:21 6 importance, sir?

11:25:21 7 A. The '557 patent has to do with how the network rapidly

11:25:26 8 allocates bandwidth to the device, and, therefore, results

11:25:30 9 in another speed increase for data being transmitted back

11:25:34 10 and forth between the handset and the network.

11:25:37 11 Q. Do you know what type of benefit that actually

11:25:46 12 provides?

11:25:46 13 A. I believe it's a .13 percent benefit increase.

11:25:52 14 MR. SHEASBY: Why don't we go to PX-2555?

11:26:02 15 Q. (By Mr. Sheasby) This is the '774 patent. Did you sit

11:26:04 16 with the independent experts to understand the importance

11:26:05 17 of the '774 patent?

11:26:06 18 A. Yes, I did.

11:26:08 19 Q. And what's your understanding of that?

11:26:09 20 A. My understanding of this patent is that there was a

11:26:14 21 use and -- the use of multiple antennas in order to help

11:26:19 22 communicate and increase the data speeds between the base

11:26:22 23 stations and the handsets.

11:26:23 24 Q. Do you know of any major cell phone manufacturer in the

11:26:29 25 United States other than Apple that does not have a license

11:26:31 1 to at least a portion of PanOptis's portfolio?

11:26:33 2 A. Any other major cell phone manufacturer?

11:26:38 3 Q. Yes.

11:26:38 4 A. Besides who, I'm sorry?

11:26:41 5 Q. Besides Apple.

11:26:43 6 A. Besides Apple?

11:26:43 7 Q. Yes.

11:26:45 8 A. No.

11:26:45 9 Q. Just one final question.

11:26:48 10 MR. SHEASBY: Mr. Huynh, if we can have

11:26:50 11 Mr. Blasius's deposition testimony.

11:26:52 12 Q. (By Mr. Sheasby) At the beginning of your deposition,

11:26:58 13 Mr. Mueller, did he ask you questions about whether you

11:27:01 14 ever received -- whether you were ever paid directly by

11:27:06 15 PanOptis?

11:27:06 16 MR. MUELLER: Your Honor, two things. I didn't

11:27:08 17 take his deposition. And, second, I'm not sure what the

11:27:10 18 purpose of referring to it now is.

11:27:13 19 MR. SHEASBY: I'll withdraw the question.

11:27:15 20 Q. (By Mr. Sheasby) In Mr. Mueller's examination of you,

11:27:18 21 did he talk about who employs you and pays you?

11:27:21 22 A. Yes, he did.

11:27:22 23 Q. And he showed you a portion of your deposition

11:27:25 24 transcript, correct?

11:27:26 25 A. Yes.

11:27:27 1 Q. And he suggested that you had never received a W-9 from
11:27:32 2 PanOptis. Do you have an understanding of him trying to
11:27:36 3 suggest that?

11:27:37 4 A. Yes.

11:27:37 5 MR. SHEASBY: Let's pull up Column 6, Lines 19
11:27:40 6 through 23 of your deposition. I believe that's PDF
11:27:48 7 page -- Mr. Huynh. Let's pull up 18, Lines -- 6, Lines 18
11:28:01 8 through 23. I need all of it, Mr. Huynh.

11:28:07 9 Q. (By Mr. Sheasby) Question: Have you ever received a
11:28:13 10 W-9 from PanOptis?

11:28:14 11 Answer: I believe when I first started at Marconi
11:28:18 12 Group, we were actually employed through PanOptis.

11:28:20 13 Do you see that, sir?

11:28:21 14 A. Yes.

11:28:22 15 Q. And do you see below it says: So I believe at some
11:28:26 16 point I was getting a paycheck or I was getting paid by
11:28:30 17 PanOptis.

11:28:31 18 Do you see that, sir?

11:28:32 19 A. Yes, I do see that.

11:28:34 20 Q. Do you have any understanding why Mr. Mueller didn't
11:28:38 21 show that portion of your deposition to the jury?

11:28:41 22 A. I -- I don't -- I don't have an understanding why he
11:28:49 23 didn't -- he omitted that. I just --

11:28:49 24 THE COURT: It calls for rank speculation. Let's
11:28:52 25 move on.

11:28:52 1 MR. SHEASBY: I pass the witness, Your Honor.

11:28:54 2 THE COURT: All right. Is there additional cross?

11:28:55 3 MR. MUELLER: There is, Your Honor.

11:28:57 4 THE COURT: Okay. Let's proceed with the

11:29:01 5 additional cross-examination.

11:29:02 6 MR. MUELLER: Can you stay on that same page?

11:29:06 7 May I proceed, Your Honor?

11:29:07 8 THE COURT: You may.

11:29:08 9 MR. MUELLER: Thank you.

11:29:08 10 RECROSS-EXAMINATION

11:29:08 11 BY MR. MUELLER:

11:29:08 12 Q. Sir, I asked you on your cross-examination where you

11:29:12 13 received your W-9 form from, correct?

11:29:14 14 A. Yes, you did.

11:29:15 15 Q. I didn't ask you where you had received it in the past.

11:29:18 16 I asked you where you receive it now, didn't I?

11:29:20 17 A. I -- I believe -- I -- I don't recall specifically, but

11:29:29 18 that's how I understood you asking the question at the

11:29:31 19 time.

11:29:31 20 Q. I didn't say, have you ever received a W-9 from

11:29:35 21 PanOptis, did I?

11:29:36 22 A. Again, I'm sorry, I can't recall exact how -- I

11:29:42 23 understood you to be asking do you receive one now.

11:29:46 24 Q. Sir, I was asking who your direct employer is; isn't

11:29:50 25 that what I was asking about?

11:29:52 1 A. Yes.

11:29:54 2 MR. MUELLER: So let's go to the line right before

11:29:56 3 this.

11:29:57 4 Q. (By Mr. Mueller) Question -- or do you see this, sir?

11:29:59 5 Let me make sure you read it first. Lines 15 through 17.

11:30:03 6 Please take a moment and review it.

11:30:15 7 A. Okay.

11:30:15 8 Q. Question: Do you receive a W-9 from PanOptis?

11:30:20 9 Answer: No, I do not. I receive a W-9 from my --

11:30:25 10 from my direct employer, which is Hilco Global.

11:30:29 11 Were you asked that question, and did you give

11:30:31 12 that answer?

11:30:32 13 A. Yes.

11:30:32 14 Q. And, sir, that's, in fact, what I asked you on

11:30:35 15 cross-examination, who your direct employer is, right?

11:30:38 16 A. I -- I believe so, yes -- yes. I seem to recall that.

11:30:47 17 MR. MUELLER: Mr. Lee, if we could please put up

11:30:51 18 PDX-4.4 -- or 4.5, the Samsung phone from 2006.

11:30:59 19 Q. (By Mr. Mueller) Sir, Mr. Sheasby asked you about the

11:31:19 20 Samsung phones that I asked you about on cross-examination,

11:31:23 21 correct?

11:31:23 22 A. Yes.

11:31:23 23 Q. And, now, you understand the representation was made

11:31:29 24 that Apple had fallen behind Samsung in innovation as of

11:31:33 25 this time period. That was the representation made during

11:31:37 1 opening statements, right?

11:31:37 2 A. I believe that's the representation he made, yes.

11:31:39 3 Q. And I showed you these slides, and we walked through

11:31:42 4 the sequence of the phones in that time period, correct?

11:31:47 5 A. Yes.

11:31:48 6 Q. And you'd agree with me that when the iPhone was

11:31:51 7 introduced to the market, it was a pretty big success,

11:31:57 8 right?

11:31:57 9 A. It was -- it was -- it was introduced. It was a

11:31:59 10 successful product.

11:32:00 11 Q. And folks in the market liked it, right?

11:32:02 12 A. Some did, yeah. Some did, yeah.

11:32:07 13 Q. Quite a few did. We can agree on that?

11:32:10 14 A. It was a popular phone.

11:32:13 15 Q. It was a very new form of cell phone than had existed

11:32:19 16 previously, correct?

11:32:21 17 A. Yes.

11:32:21 18 Q. And Samsung, in the years that followed, changed some

11:32:26 19 of its phones to mimic the iPhone, correct?

11:32:28 20 A. They have a -- I can't agree to say that it's a mimic.

11:32:46 21 I mean, they have a similar design.

11:32:48 22 MR. MUELLER: Well, let's advance to the next

11:32:51 23 slide, if we could, please.

11:32:51 24 Q. (By Mr. Mueller) And, sir, do you see here it's a

11:32:54 25 very, very similar design to the iPhone, right?

11:32:57 1 A. Yes, it's a similar design.

11:32:59 2 Q. Now, you said design a few times, right?

11:33:02 3 A. Yes.

11:33:02 4 Q. The design is actually how it works. You press those

11:33:07 5 icons to turn on different applications, correct?

11:33:13 6 A. In -- I -- I believe design to be something kind of

11:33:17 7 holistically. It's the look and feel.

11:33:20 8 Q. The look and feel of the device, right?

11:33:22 9 A. Yes.

11:33:22 10 Q. How you use it, correct?

11:33:25 11 A. Yes.

11:33:25 12 Q. And this was a very new way of using a cell phone, the

11:33:30 13 iPhone design, correct?

11:33:32 14 A. It was a new way of using the phone.

11:33:38 15 MR. MUELLER: And, Mr. Lee, if we can go back to

11:33:42 16 the 2006 Samsung phone for a moment, please.

11:33:44 17 Q. (By Mr. Mueller) This is a different design, correct?

11:33:45 18 A. Yes, it is.

11:33:49 19 Q. So if you're using this one, you would type on the

11:33:52 20 physical keyboard, correct?

11:33:54 21 A. Yes.

11:33:54 22 Q. You would use the track wheel in the middle, right?

11:33:59 23 A. Yes.

11:34:00 24 Q. And you would press those buttons in the center,

11:34:02 25 correct?

11:34:02 1 A. Correct.

11:34:03 2 MR. MUELLER: Mr. Lee, if we could go back to this

11:34:07 3 slide we were just on.

11:34:08 4 Q. (By Mr. Mueller) Here, Mr. Blasius, a fundamentally

11:34:11 5 different way of using these devices, correct?

11:34:13 6 A. Correct, of using the device.

11:34:16 7 Q. There's no physical keyboard, right?

11:34:19 8 A. There is not.

11:34:20 9 Q. The device -- the screen can be transformed into a

11:34:25 10 keyboard or a video screen or an almost infinite number of

11:34:29 11 other things, right?

11:34:30 12 A. Yes, that's correct.

11:34:31 13 Q. And Apple came up with that, right?

11:34:34 14 A. There were -- Apple developed the product for it, but

11:34:45 15 there were -- there were other products that did similar

11:34:48 16 things.

11:34:48 17 Q. Sir, Apple and the iPhone was the pioneer for this type

11:34:52 18 of design where the icons are laid out in the fashion we

11:34:55 19 see here; isn't that true?

11:34:57 20 A. I don't know if I can agree with that a hundred

11:35:08 21 percent, but they did launch that device, yes.

11:35:10 22 Q. And in the years that followed, Samsung copied it,

11:35:14 23 right?

11:35:14 24 A. Samsung -- I can't agree with that. They -- they came

11:35:24 25 out with other devices.

11:35:25 1 Q. Now, Mr. Sheasby, on the last direct examination,
11:35:29 2 directed your attention to the 4G in the right-hand corner,
11:35:33 3 right?
11:35:33 4 A. Yes.
11:35:33 5 Q. And suggested that Samsung was ahead of Apple with
11:35:37 6 respect to 4G, right?
11:35:41 7 A. Yes.
11:35:42 8 Q. Now, in this time period, 2010, 2011, 2012, the iPhone
11:35:48 9 was doing just fine in the market, wasn't it?
11:35:51 10 A. It was a popular device.
11:35:53 11 Q. It was a very popular device, wasn't it?
11:35:55 12 A. Yes, but it's -- if -- it was popular.
11:36:04 13 Q. And, sir, any suggestion that the iPhone had fallen on
11:36:08 14 hard times around 2011, that's just not true, is it?
11:36:12 15 A. No, that's incorrect.
11:36:13 16 Q. The iPhone had not fallen on hard times. The i --
11:36:19 17 A. I'm sorry, can you repeat the question?
11:36:22 18 Q. I'll repeat the question.
11:36:23 19 A. Yes.
11:36:24 20 Q. The iPhone in 2011 had not fallen on hard times,
11:36:28 21 correct?
11:36:28 22 A. That's an incorrect statement.
11:36:33 23 Q. You're saying the iPhone wasn't popular in 2011?
11:36:36 24 A. The iPhone was starting to fall behind other devices
11:36:40 25 that weren't offering that technology.

11:36:43 1 Q. Sir, true or false, the iPhone was popular in 2011?

11:36:50 2 A. It was a popular device, true.

11:36:56 3 Q. Now, the LTE functionality in the iPhone in 2012 was

11:37:00 4 based on a Qualcomm chip, correct?

11:37:02 5 A. In which device?

11:37:09 6 Q. You mentioned the iPhone that was launched in 2012 with

11:37:12 7 LTE; do you recall that?

11:37:13 8 A. Yes.

11:37:13 9 Q. That used a Qualcomm baseband chip, right?

11:37:19 10 A. I believe it did.

11:37:20 11 Q. So Apple wasn't off copying Samsung's LTE and designing

11:37:25 12 some chip to copy Samsung; that never happened, did it?

11:37:29 13 A. It was -- yes, it did. They were using -- they were

11:37:33 14 using -- please repeat the question again.

11:37:36 15 Q. Sure.

11:37:37 16 A. Please repeat the question.

11:37:38 17 Q. In 2012, Apple did not steal Samsung's LTE, copy it

11:37:43 18 into a chip, and stick that chip into their devices. That

11:37:49 19 never happened, right?

11:37:50 20 A. They used the technology of others.

11:37:52 21 Q. Sir, what they actually did was buy chips from

11:37:57 22 Qualcomm, correct?

11:37:57 23 A. They may have bought chips from Qualcomm.

11:37:59 24 Q. And Qualcomm --

11:38:00 25 A. And they --

11:38:01 1 Q. I'm sorry. Please finish your answer.

11:38:04 2 A. They bought chips from Qualcomm.

11:38:07 3 Q. They bought chips from Qualcomm for LTE, right?

11:38:11 4 A. They bought chips from Qualcomm to enable the LTE

11:38:15 5 functionality.

11:38:15 6 Q. Qualcomm is a big player in LTE, right?

11:38:17 7 A. They are one of.

11:38:18 8 Q. One of the major players; is that true?

11:38:22 9 A. They're one of the players, yes, that's true.

11:38:26 10 Q. And Qualcomm actually makes baseband chips, correct?

11:38:29 11 A. Yes, they do.

11:38:30 12 Q. And that's what Apple did, it approached a chip

11:38:34 13 supplier who's a major player in LTE for chips, right?

11:38:38 14 A. As you -- as you explained it, it approached -- yes,

11:38:50 15 okay.

11:38:50 16 Q. And, sir, you, the Plaintiffs, these five companies,

11:38:54 17 have never approached Qualcomm about these five patents,

11:38:57 18 right?

11:38:57 19 A. No, we haven't.

11:39:00 20 MR. MUELLER: Your Honor, may I approach the

11:39:03 21 easel?

11:39:06 22 THE COURT: You may.

11:39:07 23 Q. (By Mr. Mueller) Mr. Sheasby just now asked you about

11:39:13 24 the licenses of Panasonic, Samsung, and LG; do you recall

11:39:19 25 that?

11:39:19 1 A. Yes.

11:39:20 2 Q. Now, Panasonic, Samsung, and LG are the original owners

11:39:23 3 of the patents in this case, right?

11:39:25 4 A. Correct.

11:39:26 5 Q. Who, sir, is the most significant phone supplier to

11:39:40 6 take a license to these patents other than the original

11:39:42 7 owners?

11:39:46 8 A. Other than Panasonic, LG, and Samsung?

11:39:52 9 Q. To the five patents in this case, who is the most

11:39:56 10 significant phone supplier to take a license other than the

11:40:00 11 original owners?

11:40:02 12 A. Huawei.

11:40:03 13 Q. Huawei. And Huawei barely sells phones in the U.S.,

11:40:16 14 correct?

11:40:16 15 A. Yes, that's correct. They have a small volume.

11:40:21 16 Q. They've been deemed a security risk by the U.S.

11:40:25 17 Government?

11:40:25 18 MR. SHEASBY: Your Honor, I object. This is the

11:40:27 19 second time the suggestion has been made that there's

11:40:27 20 something improper about us giving a license to Huawei

11:40:33 21 based on a security risk. I strongly object to this --

11:40:33 22 MR. MUELLER: I'll withdraw the question. That's

11:40:35 23 not my suggestion, but I'll withdraw it.

11:40:35 24 THE COURT: Well, let's move on. This -- this

11:40:37 25 witness is not an expert on American security matters.

11:40:40 1 He's not involved in the National Security Agency. He only
11:40:44 2 knows what he's heard where everybody else has heard it.
11:40:47 3 That's not a proper area for examination. Let's move on.
11:40:51 4 MR. MUELLER: I understand.
11:40:52 5 Q. (By Mr. Mueller) And that -- that is a license you
11:40:54 6 would identify, sir, as the most significant phone supplier
11:40:57 7 license other than the original owners, correct?
11:40:59 8 A. Yes.
11:41:02 9 Q. Now, Google, your former employer, is a major phone
11:41:09 10 supplier today, correct?
11:41:10 11 A. I wouldn't characterize them as major, no, that's
11:41:13 12 incorrect.
11:41:13 13 Q. They sell phones in the U.S. market, correct?
11:41:16 14 A. Yes.
11:41:17 15 Q. And Google does not have a license to any of these
11:41:21 16 patents, correct?
11:41:25 17 A. That's incorrect. I believe they have a license to one
11:41:28 18 of the patents.
11:41:29 19 Q. Google?
11:41:29 20 A. Yes.
11:41:30 21 Q. Now you're saying they do have a license to one of the
11:41:34 22 patents?
11:41:35 23 A. Yes. I think when you asked me before, I forgot about
11:41:45 24 a license that existed. It was -- it was a pre-existing
11:41:50 25 license.

11:41:50 1 Q. You forgot earlier when I asked you?

11:41:53 2 A. Yes.

11:41:53 3 Q. And what number patent does that license cover?

11:41:57 4 A. Which number? The '332 patent.

11:41:59 5 Q. But not the other four?

11:42:03 6 A. Excuse me, not the '332. The '774 patent.

11:42:07 7 Q. Not the other four?

11:42:10 8 A. Correct.

11:42:11 9 Q. Now, let's -- may we talk about this Innography

11:42:16 10 database?

11:42:16 11 A. Yes.

11:42:17 12 Q. You were just asked some questions about this by

11:42:21 13 Mr. Sheasby, right?

11:42:22 14 A. Yes.

11:42:23 15 Q. And this Innography database is maintained by some

11:42:27 16 company called Innography?

11:42:29 17 A. Correct.

11:42:29 18 Q. Now, let's be very clear, it's not an Apple database,

11:42:33 19 right?

11:42:33 20 A. It's not an Apple database, no.

11:42:35 21 Q. Apple didn't create this?

11:42:38 22 A. No.

11:42:39 23 Q. How many times have you used Innography?

11:42:42 24 A. A couple of times.

11:42:43 25 Q. Two?

11:42:44 1 A. In my role, I would -- have used it very few times.

11:42:49 2 Maybe twice.

11:42:50 3 Q. Maybe twice?

11:42:51 4 A. Yeah.

11:42:52 5 Q. In 25 years, how many times have you used it total?

11:42:55 6 What, twice?

11:42:56 7 A. It's not something that I would do. Yeah, I don't use

11:43:00 8 it often.

11:43:01 9 Q. Now, you've been a professional licensing -- you've

11:43:04 10 held professional licensing positions for over two decades,

11:43:08 11 correct?

11:43:08 12 A. Yes.

11:43:08 13 Q. And in all those years, you've used it at most twice?

11:43:14 14 A. Correct. In my role as not being a technologist, I

11:43:19 15 would not use it often, personally.

11:43:22 16 Q. I'm sorry, I didn't mean to interrupt. Did you finish

11:43:24 17 your answer?

11:43:25 18 A. In my role I would not use that.

11:43:28 19 Q. In your role in patent licensing, you would not use the

11:43:32 20 Innography database?

11:43:32 21 A. I'm not a technologist, correct.

11:43:35 22 Q. So you don't rely on the Innography database in your

11:43:38 23 role -- roles over the years, correct?

11:43:40 24 A. We've used it. But I personally do not use that in my

11:43:44 25 role.

11:43:44 1 Q. And you have no idea how that thing was created, do
11:43:47 2 you?
11:43:47 3 A. The database?
11:43:49 4 Q. That's right?
11:43:51 5 A. That's incorrect.
11:43:52 6 Q. You don't know precisely who created those entries, do
11:43:55 7 you?
11:43:56 8 A. Who created the entries? No, I do not.
11:44:00 9 Q. You've never spoken with those folks, have you?
11:44:02 10 A. With the Innography, no.
11:44:04 11 Q. You've never asked them how they did their work, right?
11:44:08 12 A. I have not asked them how they do their work, but I
11:44:11 13 understand how they've -- aggregate the information.
11:44:13 14 Q. Sir, you've only read it twice, and you've never spoken
11:44:17 15 to anyone at the company, correct?
11:44:19 16 A. Correct.
11:44:23 17 Q. Now, you showed the jury a few sheets that were taken
11:44:26 18 from that database, right?
11:44:28 19 A. Yes.
11:44:28 20 Q. Who gave those to you?
11:44:31 21 A. Who gave those -- these?
11:44:33 22 Q. Who gave the sheets from Innography you showed to the
11:44:37 23 jury, to you?
11:44:38 24 MR. SHEASBY: Your Honor, they're pre-admitted
11:44:39 25 exhibits. They were given through this process. I object

11:44:42 1 to this line of questioning.

11:44:43 2 MR. MUELLER: I can rephrase, Your Honor.

11:44:44 3 THE COURT: All right. Rephrase the question.

11:44:47 4 Q. (By Mr. Mueller) When was the first time you saw those
11:44:51 5 sheets of paper that were shown to the jury?

11:44:52 6 A. When was the first time I saw those? Recently. In the
11:45:02 7 last -- within the last week.

11:45:03 8 Q. Within the last week; is that right, sir?

11:45:05 9 A. Pardon me?

11:45:08 10 Q. Within the last week; is that right?

11:45:10 11 A. Yes, yes.

11:45:12 12 Q. Was it over the weekend?

11:45:13 13 A. Within the last week, I've seen that -- that -- those
11:45:32 14 documents.

11:45:32 15 Q. And before that, in all the years that your companies
11:45:36 16 have held these patents, you never looked at those sheets,
11:45:40 17 have you?

11:45:40 18 A. No, I wouldn't do that in my role.

11:45:44 19 Q. You didn't do that, did you?

11:45:45 20 A. That's not something I would do in my role, no.

11:45:50 21 Q. Sir, you didn't do that, did you?

11:45:52 22 A. No.

11:45:54 23 Q. Now, you talked to Mr. Sheasby just now about the
11:45:59 24 benefits of these patents; do you recall that?

11:46:01 25 A. Yes.

11:46:01 1 Q. And you pointed to the percentile strength ratings in
11:46:07 2 this database, right?
11:46:08 3 A. Yes.
11:46:08 4 Q. This is a database that you've only read twice?
11:46:11 5 A. Yes.
11:46:15 6 Q. And you don't know how those strength ratings were
11:46:18 7 created, do you?
11:46:18 8 A. No, that's incorrect.
11:46:20 9 Q. Sir, you don't know how the folks who created those
11:46:24 10 ratings, what they looked at, do you?
11:46:26 11 A. No, that's incorrect. I do.
11:46:29 12 Q. Well, you don't know it from talking to anyone at
11:46:34 13 Innography, we can agree on that?
11:46:36 14 A. Correct.
11:46:36 15 Q. Now, in terms of the benefits of the patents, you were
11:46:43 16 designated as a witness on that topic for your deposition,
11:46:46 17 correct?
11:46:46 18 A. Yes.
11:46:51 19 Q. And that meant you had a responsibility to speak on
11:46:54 20 behalf of these five companies, right?
11:46:57 21 A. Yes.
11:46:57 22 Q. And a responsibility to prepare yourself to speak on
11:46:59 23 those subjects, correct?
11:47:04 24 A. Correct.
11:47:04 25 Q. Now, to get ready to discharge that duty, you didn't

11:47:07 1 speak to any of the inventors, right?

11:47:09 2 A. Not directly.

11:47:11 3 Q. On any of the five patents?

11:47:15 4 A. Not directly.

11:47:16 5 Q. And you didn't do any research yourself with respect to

11:47:20 6 the benefits for these patents, correct?

11:47:24 7 A. No. The technology is too complex for me. I'm not a

11:47:29 8 technologist.

11:47:30 9 Q. And aside from communications with the lawyers, which I

11:47:33 10 don't want you to get into, you weren't aware of any other

11:47:36 11 information with respect to the performance, reliability,

11:47:40 12 speed, or efficiency of these patents, correct?

11:47:45 13 A. No. I received that through communications with the --

11:47:52 14 with the experts.

11:47:53 15 Q. Sir, at your deposition, you were not able to give any

11:47:57 16 information about those subjects other than communications

11:47:59 17 with counsel, right?

11:48:02 18 A. Correct.

11:48:03 19 Q. And that meant you couldn't -- I'm sorry.

11:48:05 20 A. Communications with -- with the experts.

11:48:07 21 Q. Communications with the experts and your lawyers,

11:48:10 22 that's what you told us, right?

11:48:11 23 A. Yes.

11:48:12 24 Q. And so, as a consequence, you couldn't give us any

11:48:15 25 information at your deposition about how these patents

11:48:18 1 relate to those subjects, right?

11:48:22 2 A. Correct. That's not something I would do in my course

11:48:25 3 of business.

11:48:25 4 Q. You didn't give us that information at your deposition,

11:48:28 5 right?

11:48:28 6 A. Can you repeat the question one more time?

11:48:33 7 Q. Sir, when we had a chance to ask you questions before

11:48:37 8 trial, one of the topics that you were the company

11:48:41 9 spokesperson on was the benefits of these patents, correct?

11:48:45 10 A. Yes.

11:48:45 11 Q. And you were not able to talk about those topics with

11:48:48 12 any specificity because of fear of getting into

11:48:53 13 communications with lawyers, right?

11:48:54 14 A. No, I did -- I talked about -- that's incorrect

11:48:57 15 actually.

11:48:57 16 Q. You were not able to talk about any data demonstrating

11:49:03 17 that the features claimed in the patents-in-suit affect the

11:49:08 18 performance, reliability, speed, or efficiency of the

11:49:11 19 accused Apple products, correct?

11:49:20 20 A. No. Again, I believe I talked to the fact that they

11:49:22 21 increase speed and efficiencies across the next --

11:49:26 22 networks.

11:49:27 23 Q. Sir, I'll ask it again. At your deposition, you were

11:49:31 24 not able to give any information when asked the question:

11:49:35 25 If the Plaintiffs possess any data demonstrating that the

11:49:39 1 features claimed in the patents-in-suit affect the
11:49:42 2 performance, reliability, speed, or efficiency of the
11:49:47 3 accused Apple products.

11:49:48 4 Right?

11:49:50 5 A. I believe I -- I don't believe I can answer that. I
11:50:02 6 don't believe I can answer that question without a
11:50:04 7 fuller -- without a more in-depth explanation.

11:50:07 8 Q. Sir, I can show you your deposition if that helps. You
11:50:15 9 should have in front of your binder, Tab 1.

11:50:19 10 A. Sure.

11:50:20 11 Q. And, if you could, sir, please turn to Page 241,
11:50:40 12 Line 22, to Page 242, Line 13. And please take your time
11:50:48 13 and review that and let me know when you're finished.

11:50:50 14 A. Again, which -- so Page 241?

11:51:10 15 Q. 241 -- Page 241, Line 22, carrying over to Page 242,
11:51:17 16 Line 13.

11:51:55 17 A. Okay.

11:51:55 18 Q. Have you had a chance to read that, sir?

11:51:57 19 A. Yes, I have.

11:51:58 20 Q. And you see we asked you at your deposition, do the --
11:52:01 21 and don't put it up on --

11:52:01 22 MR. SHEASBY: Your Honor, this is not proper
11:52:05 23 impeachment. He didn't establish that he said something
11:52:07 24 different.

11:52:07 25 I also object on the rules of completeness. The

11:52:11 1 passage he's showing continues on through 243, and it
11:52:15 2 should all be shown if it's shown at all.

11:52:17 3 MR. MUELLER: I'm happy to read all of it, Your
11:52:20 4 Honor. I'm happy to read all of it, Your Honor --

11:52:20 5 THE COURT: All right. Gentlemen --

11:52:20 6 MR. MUELLER: Sure.

11:52:22 7 THE COURT: -- you're going to talk one at a time
11:52:23 8 in this courtroom, understand?

11:52:25 9 MR. SHEASBY: I also object to any publication of
11:52:28 10 anything relating to attorney-client privilege in front of
11:52:31 11 the jury.

11:52:32 12 MR. MUELLER: And, Your Honor, I don't need to
11:52:34 13 show this. I was trying to refresh a witness's memory as
11:52:37 14 to what he was asked at his deposition.

11:52:39 15 THE COURT: That's my understanding, Mr. Sheasby,
11:52:42 16 that this was not impeachment; it was refreshing
11:52:44 17 recollection.

11:52:45 18 MR. SHEASBY: I don't know why it was published,
11:52:51 19 Your Honor, so I object on that basis. If he's now saying
11:52:54 20 it's not that --

11:52:54 21 MR. MUELLER: We don't need to publish it, Your
11:52:58 22 Honor.

11:52:58 23 THE COURT: All right. Let's proceed without
11:52:58 24 further publication. You've refreshed the witness's
11:52:59 25 recollection. Let's move on.

11:53:01 1 MR. MUELLER: Thank you.

11:53:02 2 Q. (By Mr. Mueller) Sir, do you see you were asked

11:53:04 3 whether the Plaintiffs possessed any data demonstrating

11:53:07 4 that the features claimed in the patents-in-suit affect the

11:53:11 5 performance, reliability, speed, or efficiency of the

11:53:13 6 accused Apple products? Do you see that, sir?

11:53:15 7 A. Yes, I do.

11:53:16 8 Q. And has your memory been refreshed that you did not

11:53:21 9 provide us with specific information on that subject?

11:53:22 10 A. So, yes, in this instance, it's been refreshed. But I

11:53:30 11 believe I provided additional information about the bit --

11:53:33 12 the benefits overall received through -- to the -- the --

11:53:40 13 from what the patents teach.

11:53:42 14 Q. And Mr. Sheasby asked you about some of those benefits

11:53:45 15 a few minutes ago, right?

11:53:47 16 A. Yes. Those were -- and those were obtained through the

11:53:51 17 independent expert.

11:53:52 18 Q. Right. And you gave Mr. Sheasby your explanation of

11:53:55 19 some of the benefits, correct?

11:53:56 20 A. Yes.

11:53:59 21 Q. Sir, again, as of today, as you sit here in the witness

11:54:04 22 stand, you have not even read the entire five patents,

11:54:08 23 correct?

11:54:08 24 A. No, not in their entirety. I need -- it's something I

11:54:15 25 would need to do with the technologists.

11:54:18 1 Q. You haven't done it?

11:54:19 2 A. No.

11:54:20 3 MR. MUELLER: Pass the witness, Your Honor.

11:54:22 4 THE COURT: Is there additional redirect?

11:54:23 5 MR. SHEASBY: Just very briefly.

11:54:25 6 Let's pull up Page 243 of your deposition, Line 6,

11:54:30 7 and let's go over to Page 245, all the way through 246.

11:54:30 8 REDIRECT EXAMINATION

11:54:37 9 BY MR. SHEASBY:

11:54:37 10 Q. Mr. Blasius --

11:54:43 11 MR. MUELLER: Your Honor, this is exactly what he

11:54:44 12 just objected to be published to the jury.

11:54:46 13 MR. SHEASBY: Your Honor, I'm entitled to publish.

11:54:48 14 He's my witness. I'm not --

11:54:49 15 THE COURT: I agree, he's entitled to publish it

11:54:51 16 with his witness.

11:54:53 17 Q. (By Mr. Sheasby) Excluding any information that your

11:54:57 18 attorneys or paid experts may have, do Plaintiffs possess

11:55:00 19 any evidence demonstrating that the features claimed in the

11:55:03 20 patents-in-suit --

11:55:03 21 THE COURT: Slow down, Mr. Sheasby.

11:55:03 22 Q. (By Mr. Sheasby) -- the features claimed in the

11:55:04 23 patents-in-suit affect the performance, reliability, speed,

11:55:07 24 or efficiency? Do you see that?

11:55:10 25 A. Yes, I see that.

11:55:11 1 Q. And did you give an answer that spanned four pages in
11:55:15 2 response to that?

11:55:16 3 MR. SHEASBY: And let's scroll through that,
11:55:19 4 Mr. Huynh.

11:55:21 5 A. Yes, I did.

11:55:22 6 Q. (By Mr. Sheasby) Did Mr. Mueller show any of that
11:55:24 7 testimony to you when he just examined you?

11:55:26 8 A. No, he did not.

11:55:31 9 Q. You -- you answered Mr. Mueller was asking about the
11:55:37 10 Innography database. That's not something you do in your
11:55:44 11 role?

11:55:44 12 A. No.

11:55:45 13 Q. Is there someone at PanOptis who does do that for you?

11:55:50 14 A. Yes.

11:55:50 15 Q. Who is that?

11:55:51 16 A. James Warden.

11:55:52 17 Q. Has James Warden spoken with the Innography team?

11:55:56 18 A. Yes, he has.

11:55:57 19 Q. Do you know how the patent score is calculated?

11:56:00 20 A. Yes, I understand at a high level.

11:56:02 21 Q. What's your understanding?

11:56:03 22 A. My understanding is that they use a lot of metrics
11:56:08 23 around patent quality metrics, forward citations, citations
11:56:15 24 of other patents that are used in patents at a later date,
11:56:21 25 or if they were mentioned previously, patents that had been

11:56:26 1 used in various proceedings, a number of quality metrics
11:56:30 2 that they -- they put in the patents.

11:56:33 3 Q. Do you know who uses the Innography database?

11:56:36 4 A. I'm sorry?

11:56:37 5 Q. Do you know who uses the Innography database?

11:56:39 6 A. Yes, other than --

11:56:42 7 Q. PanOptis?

11:56:42 8 A. Than PanOptis? Apple's lawyers, I know, use it.

11:56:46 9 Q. One final question. In your experience -- you have

11:56:49 10 substantial experience in the cellular industry, fair?

11:56:51 11 A. Yes.

11:56:51 12 Q. In your experience, what would have happened if L --

11:56:54 13 if -- if Apple would not have come out with the 4G phone in

11:56:58 14 2012?

11:56:58 15 A. It would have lost market share.

11:57:01 16 Q. If Apple did not sell a 4G phone right now, what would

11:57:06 17 its market share be?

11:57:08 18 A. It would be very small.

11:57:10 19 MR. SHEASBY: Pass the witness.

11:57:11 20 THE COURT: Further cross-examination?

11:57:13 21 MR. MUELLER: Very briefly, Your Honor.

11:57:13 22 RECROSS-EXAMINATION

11:57:14 23 BY MR. MUELLER:

11:57:14 24 Q. Mr. Blasius, you have absolutely no foundation for what

11:57:21 25 you just said, right?

11:57:22 1 A. I don't -- I don't agree with that.

11:57:27 2 Q. You're offering a hypothetical that never happened,

11:57:30 3 correct?

11:57:30 4 A. Which hypothetical?

11:57:32 5 Q. About Apple's sales not being successful down the road,

11:57:35 6 correct?

11:57:35 7 A. That's my assumption.

11:57:37 8 Q. All right. And the truth, sir, is that the iPhone has

11:57:40 9 been a popular device since it was introduced, correct?

11:57:43 10 A. It's a popular device. It's a popular wireless device.

11:57:47 11 Q. It's a popular device that reflects a lot of innovation

11:57:51 12 by Apple, right?

11:57:52 13 A. That is correct.

11:57:54 14 MR. MUELLER: Nothing further.

11:57:56 15 THE COURT: Anything further, Mr. Sheasby?

11:57:57 16 MR. SHEASBY: Nothing further, Your Honor.

11:57:58 17 THE COURT: You may step down, Mr. Blasius.

11:58:01 18 Miraculously, ladies and gentlemen, we are right

11:58:16 19 at the noon hour, so we're going to use this opportunity to

11:58:19 20 break for lunch. I'm told by the clerk that your lunch is

11:58:23 21 waiting for you in the jury room.

11:58:25 22 I'm going to remind you to take your juror

11:58:28 23 notebooks with you over the lunch break. Follow all the

11:58:30 24 instructions I've given you about your service as jurors in

11:58:33 25 this case, including especially not to discuss anything

11:58:37 1 about the case with each other.

11:58:39 2 And after lunch, we'll have you back to continue
11:58:41 3 with the next witness for the Plaintiff. We will attempt
11:58:45 4 to have you back in here by, or a little bit before, 1:00
11:58:49 5 o'clock, in that general time frame.

11:58:50 6 With that, ladies and gentlemen, you're excused
11:58:52 7 for lunch.

11:58:53 8 COURT SECURITY OFFICER: All rise.

11:58:55 9 (Jury out.)

11:58:56 10 THE COURT: All right. Be seated.

11:59:20 11 Counsel, it's my understanding that based on
11:59:24 12 continuing discussions with the parties and the Court, we
11:59:27 13 are now in a position to go forward with Dr. Mahon's
11:59:33 14 testimony; is that correct?

11:59:34 15 MR. SHEASBY: Yes, Your Honor.

11:59:35 16 THE COURT: All right. And he's to be followed by
11:59:38 17 several deposition witnesses?

11:59:39 18 MR. SHEASBY: Yes. So at least Ms. Mewes, and
11:59:42 19 that should get us through to the next afternoon break,
11:59:45 20 Your Honor.

11:59:45 21 THE COURT: All right. We're going to break until
11:59:47 22 about 12:25 or 12:30. I'll expect to get lead and local
11:59:54 23 counsel in chambers about that time, and we will look at
11:59:58 24 the remaining deposition and counter-designation --
12:00:02 25 counter-designation disputes and see if we can't get those

12:00:06 1 knocked out, all right?
12:00:07 2 MR. SHEASBY: Thank you, Your Honor.
12:00:07 3 MR. MUELLER: Thank you, Your Honor.
12:00:07 4 THE COURT: We stand in recess.
12:00:10 5 COURT SECURITY OFFICER: All rise.
12:00:13 6 (Recess.)
12:01:29 7

8 CERTIFICATION
9

10 I HEREBY CERTIFY that the foregoing is a true and
11 correct transcript from the stenographic notes of the
12 proceedings in the above-entitled matter to the best of my
13 ability.

14

15

16 /S/ Shelly Holmes _____
17 SHELLY HOLMES, CSR, TCRR
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State of Texas No.: 7804
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